



A G E N D A

**REGULAR MEETING
OF THE HIGHLAND VILLAGE CITY COUNCIL
TUESDAY, JANUARY 23, 2018, at 6:00 P.M.
HIGHLAND VILLAGE CITY COUNCIL CHAMBERS
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS**

**Convene Meeting in Open Session
Training Room – 6:00 P.M.**

**EARLY WORK SESSION
Training Room**

- 1. Discuss the City's Existing Ordinance relating to Motor-Assisted Scooters**
- 2. Discuss Status of the Public Art Advisory Board**
- 3. Discuss Regulations relating to Peddlers and Solicitors in Highland Village**
- 4. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of January 23, 2018**

(Items discussed during Early Work Session may be continued or moved to Open Session and/or Late Work Session if time does not permit holding or completing discussion of the item during Early Work Session)

**CLOSED SESSION
Training Room**

- 5. Hold a closed meeting in accordance with the following sections of the Texas Government Code:
(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation, including Litigation regarding Horner vs. City of Highland Village, and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**

**OPEN SESSION
City Council Chambers – 7:30 P.M.**

- 6. Call to Order**
- 7. Prayer to be led by Mayor Pro Tem Michelle Schwolert**
- 8. Pledge of Allegiance to the U.S. and Texas flags to be led by Mayor Pro Tem Michelle Schwolert: *"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."***

9. **Visitor Comments** *(Anyone wishing to address the City Council must complete a Speakers' Request form and return it to the City Secretary. In accordance with the Texas Open Meetings Act, the City Council is restricted in discussing or taking action on items not posted on the agenda. Action on your statement can only be taken at a future meeting. In order to expedite the flow of business and to provide all visitors the opportunity to speak, the Mayor may impose a three (3) minute limitation on any person addressing the City Council. A thirty (30) minute time allotment is set for this section, and the remaining speakers will be heard at the end of the Action Agenda.)*
10. **City Manager/Staff Reports**
 - **HVTV Update**
11. **Mayor and Council Reports on Items of Community Interest** pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety

CONSENT AGENDA

All of the items on the Consent Agenda are considered for approval by a single motion and vote without discussion. Each Councilmember has the option of removing an item from this agenda so that it may be considered separately and/or adding any item from the Action Agenda to be considered as part of the Consent Agenda items.

12. **Consider Approval of Minutes of the Regular Meeting held on January 9, 2018**
13. **Consider Resolution 2018-2731 Ordering a General Municipal Election to be held on May 5, 2018 for the Purpose of Electing Councilmembers to Places 1 (Mayor), 2, 4, and 6; Authorizing a Joint Election with other Denton County Political Subdivisions; and Authorizing a Contract for Election Services with Denton County**
14. **Consider Resolution 2018-2732 Authorizing the City Manger to Enter into an Agreement with Joe Goddard Enterprises, LLC for the Storm Warning Siren Project**
15. **Receive Budget Reports for Period Ending November 30, 2017**

ACTION AGENDA

16. **Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:**
 - (a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation, including Litigation regarding Horner vs. City of Highland Village, and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
17. **Discuss and Consideration of all matters incident and related to the Issuance and Sale of “City of Highland Village, Texas, General Obligation Bonds, Series 2018”, including the adoption of Ordinance 2018-1240 Authorizing the Issuance of such Bonds for Street and Parks & Recreation Improvements**

18. Discuss and Consideration of all matters incident and related to the Issuance and Sale of "City of Highland Village, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2018", including the adoption of Ordinance 2018-1241 Authorizing the Issuance of such Certificates of Obligation for Water and Sewer System Improvements
19. Receive Annual Report regarding Compliance with the Highland Village Police Department's Policy Prohibiting Racial Profiling

LATE WORK SESSION

(Items may be discussed during Early Work Session, Time Permitting)

20. Discuss/Consider an Ordinance relating to the Use of Neighborhood Electric Vehicles, Low Speed Vehicles and Golf Carts in Highland Village
21. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)
22. Adjournment

I HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE PUBLIC BULLETIN BOARD AT THE MUNICIPAL COMPLEX, 1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS IN ACCORDANCE WITH THE *TEXAS GOVERNMENT CODE, CHAPTER 551*, ON THE 19TH DAY OF JANUARY, 2018 NOT LATER THAN 4:00 P.M.



Angela Miller, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (972) 899-5132 or Fax (972) 317-0237 for additional information.

Removed from posting on the _____ day of _____, 2018 at
_____ am / pm by _____.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 1	MEETING DATE: 01/23/18
SUBJECT:	Discuss the City's Existing Ordinance relating to Scooters
PREPARED BY:	Douglas Reim, Chief of Police

COMMENTS

Discussion of existing scooter Ordinance enacted in 2004 and presentation of scooter operating permits issued to date.

CHAPTER 20 TRANSPORTATION AND TRAFFIC

ARTICLE 20.07 MOTOR-ASSISTED SCOOTERS*

ARTICLE 20.07 MOTOR-ASSISTED SCOOTERS*
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Sec. 20.07.001 Definitions

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Adult. Any individual 18 years of age or older.

Child. Any individual 17 years of age and under.

Daylight hours. The time period from the National Weather Service official times of one-half hour before sunrise until one-half hour after sunset.

Gas combustible motor-assisted scooter. Shall have the same meaning assigned by Texas Transportation Code section 551.301(2), as amended, and includes a self-propelled device with at least two wheels in contact with the ground during operation, a braking system capable of stopping the device under typical operating conditions, a gas combustible motor 40 cubic centimeters or less, a deck designed to allow a person to stand or sit while operating the device, and the ability to be propelled by human power alone.

Helmet. Properly fitted protective headgear that is not structurally damaged and that conforms to the standards of the American National Standards Institute, the American Society for Testing and Materials, the Snell Memorial Foundation or any federal agency having regulatory jurisdiction over bicycle helmets, as applicable, at the time of the manufacture of the helmet.

Inclement weather. Any weather that impacts the performance or ability to control a motor-assisted scooter, which includes but is not limited to rain, lightning, heavy fog, high winds, snow, or icy conditions.

Motor-assisted scooter. Shall have the same meaning assigned by Texas Transportation Code section 551.301(2), as amended, and includes a self-propelled device with at least two wheels in contact with the ground during operation, a braking system capable of stopping the device under typical operating conditions, an electric motor 40 cubic centimeters or less, a deck designed to allow a person to stand or sit while operating the device, and the ability to be propelled by human power alone.

Parent. The natural or adoptive parent or court-appointed guardian or conservator of a child.

Passenger. Any person riding upon or attached to a motor-assisted scooter who is not the primary operator of the vehicle.

Public way or public property. Real property owned, leased or controlled by a political subdivision of the state, a governmental entity or agency, or similar entity, or any property that is publicly owned or

maintained or dedicated to public use, including but not limited to a path, trail, sidewalk, alley, street or highway, and a public park facility.

Wearing a helmet. Means that the person has a helmet fastened securely to his/her head with the straps of the helmet securely tightened in the manner intended by the manufacturer to provide maximum protection.

(1999 Code, sec. 86-180)

ARTICLE 20.07 MOTOR-ASSISTED SCOOTERS*

Sec. 20.07.002 General restrictions

- (a) It is unlawful for any child younger than 12 years of age to operate or ride a motor-assisted scooter on any path, trail, sidewalk, alley, street or highway within the city.
- (b) It is unlawful for a parent to allow or permit a child younger than 12 years of age to operate or ride a motor-assisted scooter on any path, trail, sidewalk, alley, street or highway within the city.
- (c) Motor-assisted scooters with electric engines only may be operated within the corporate city limits. Operating any motor-assisted scooter with a gas combustible engine within the corporate city limits is prohibited.
- (d) It is presumed that a parent allowed a child to operate or ride a motor-assisted scooter in a restricted or prohibited area, or to operate a gas combustible motor-assisted scooter within the corporate city limits.
- (e) It is unlawful for any person to operate or ride a motor-assisted scooter on any public way or public property for which the posted speed limit is more than 30 miles per hour. The motor-assisted scooter may cross a road or a street at an intersection where the road or street to be crossed has a posted speed of more than 35 miles per hour.

(1999 Code, sec. 86-181)

ARTICLE 20.07 MOTOR-ASSISTED SCOOTERS*

Sec. 20.07.003 Safety course required

It is unlawful for an adult or child 12 years of age or older to operate a motor-assisted scooter within the corporate city limits unless one of the following criteria is met:

- (1) The person possesses a valid Texas driver's license that does not possess the restriction "B," requiring an adult 18 years or older to ride in the front seat with the operator; or
- (2) The operator has successfully completed a motor-assisted scooter safety course, which at a minimum will include classroom instruction on basic traffic law, riding safety, and demonstration of proficiency, and includes a permit process. While operating a motor-assisted scooter, those persons requiring permits will have the permit in their possession and shall be in good standing with the police department. This program will be designed and administered by the chief of police,

and will include the authority to design administrative penalties in the permitting process as an additional alternative to the issuance of citations enforced in municipal court.

(1999 Code, sec. 86-182)

ARTICLE 20.07 MOTOR-ASSISTED SCOOTERS*

Sec. 20.07.004 Operation

- (a) Permissible speed. A person shall not operate a motor-assisted scooter in excess of 30 miles per hour, or the posted speed limit, whichever is less.
- (b) Hours of operation. A motor-assisted scooter may be operated only during daylight hours, as defined in this article.
- (c) Passengers prohibited. Any passenger, as defined in this article, shall be prohibited.
- (d) Operation during inclement weather. Motor-assisted scooters shall not be operated during any period of inclement weather that would impair the operation of the motor-assisted scooter in any way.
- (e) Designated areas. Operators of motor-assisted scooters will ride in the safest manner possible, utilizing sidewalks or paths and trails designated for the use of motor-assisted scooters when available and appropriate.
- (f) Bicycle rules apply. Operators of motor-assisted scooters shall follow standard bicycle safety rules.

(1999 Code, sec. 86-183)

ARTICLE 20.07 MOTOR-ASSISTED SCOOTERS*

Sec. 20.07.005 Helmet required for children under 18 years of age

- (a) It is unlawful for any child between the ages of 12 and 17 years of age to operate or ride a motor-assisted scooter unless the child is wearing a helmet.
- (b) It is unlawful for a parent to allow or permit a child to operate or ride a motor-assisted scooter unless the child is wearing a helmet.
- (c) It is presumed that a parent allowed a child to operate or ride a motor-assisted scooter without wearing a helmet.
- (d) Persons who are 18 years of age and older, or those who possess a valid Texas driver's license, are not required by this article to wear a helmet while operating a motor-assisted scooter.
- (e) It is a defense to prosecution that the motor-assisted scooter was not being operated upon a public way or public property at the time of the alleged offense.

(1999 Code, sec. 86-184)

ARTICLE 20.07 MOTOR-ASSISTED SCOOTERS*

Sec. 20.07.006 Penalty for violation of helmet requirement

- (a) A person who violates any provision of [section 20.07.005](#), requiring helmets, shall be guilty of a class C misdemeanor and upon conviction shall be fined an amount not exceeding \$50.00 upon the first conviction and an amount not exceeding \$100.00 upon the second and each subsequent conviction.
- (b) Any person that has a documented medical necessity to utilize a motor-assisted scooter to assist and improve mobility and promote a higher quality of life for that person, and would otherwise be required to wear a helmet under the conditions of this article, is exempt from the requirements of this article.
- (c) The municipal court shall dismiss a charge against a child and/or parent for a first offense under [section 20.07.005](#) upon receiving proof that:
- (1) The defendant acquired a helmet for the child who was operating or riding the motor-assisted scooter in violation of [section 20.07.005](#); and
 - (2) The defendant acquired the helmet on or before the tenth day after receiving the citation for the violation.
- (d) If the charge against a person is dismissed under this section, a later conviction for a violation of [section 20.07.005](#) shall be considered a second or subsequent conviction for purposes of this section.
- (e) The purpose of [section 20.07.005](#) is to promote safety and encourage the use of helmets. The courts may consider deferred dispositions under the Texas Code of Criminal Procedure, as amended, whenever the circumstances warrant deferred dispositions.

(1999 Code, sec. 86-185)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 2

MEETING DATE: 01/23/18

SUBJECT: Discuss Status of the Public Art Advisory Board

**PREPARED BY: Angela Miller, City Secretary
Phil Lozano, Parks and Recreation Director**

COMMENTS

During last year's annual appointment process for boards and commissions, City staff reported to Council there was some frustration by members of the Public Art Advisory Board (PAAB) due to a lack of funding and interest in doing more beyond their annual Highland Village Art Festival. In addition, staff reported meeting with the Highland Village Parks Foundation (Foundation) and that their board members were looking at the future of the Foundation and how they may wish to move forward. At that time, there was some indication of interest in dissolving the Foundation and potentially having PAAB serve as a non-profit to continue the work of the Foundation.

Until more information was found regarding the direction of the Foundation, and to allow further discussion regarding the mission and scope of the PAAB, appointments to the PAAB were postponed. Since that time, staff has attempted to follow up on the intention of the Foundation, but has not received any response.

Having previously served on the PAAB as liaison and board member, staff has since met to receive input from Mayor Pro Tem Schwolert and Deputy Mayor Pro Tem Fleming regarding the mission and scope of the PAAB, as well as discuss prior activities of the PAAB. During discussions, the idea of dissolving the PAAB was suggested and for staff to further develop and utilize citizen volunteers to assist with some of the work previously carried out by the PAAB. Volunteers would have more flexibility to seek out donations and acquisitions, which would be presented through the Parks and Recreation Advisory Board and ultimately presented to City Council for approval, per the Highland Village Public Art Master Plan. Volunteers could also assist staff with the annual Highland Village Art Festival as well as other city sponsored special events.

Staff is seeking direction from City Council regarding the status of the Public Art Advisory Board.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 3

MEETING DATE: 01/23/18

SUBJECT: Discuss Regulations relating to Peddlers and Solicitors in Highland Village

**PREPARED BY: Angela Miller, City Secretary
Douglas Reim, Chief of Police**

COMMENTS

At the December 12, 2017 Council meeting, an ordinance was presented to amend the hours of operation in which solicitors could operate (currently 9:00 a.m. until sunset, Monday through Saturday) and to extend the expiration of their permits to 180-days from the date of issuance (currently 90-days from the date of issuance). Just prior the December meeting, it was determined that another provision in the existing ordinance which relates to a cash bond requirement may also need to be updated. In addition, the City Attorney provided an update and background information to Council on area cities that also considered amending their hours of operation for solicitors. The ordinance was tabled to allow for further research and for a modified ordinance to be presented to Council at a future meeting.

Regarding the cash bond requirement, the existing ordinance states that solicitation activities requiring cash deposits or taking orders on delivery purchases (COD) or who requires a contract of agreement to finance the sale of any goods, services or merchandise for future delivery, or for services to be performed in the future, were required to furnish to the city a cash bond in the amount of \$5,000, naming the applicant for the permit as principal. City staff wishes to modify the provision to require a company to provide the city with a copy of their current surety bond rather than provide a cash bond.

The previously presented ordinance proposed amending the allowable hours of operation in which a solicitor could operate to 9:00 a.m. until 6:00 p.m., Monday through Saturday, and to extend the permit expirations to 180-days. Staff is seeking direction from Council if they wish to move forward with the following provisions:

- ❖ Amend hours of operation to allow from 9:00 a.m. until 6:00 p.m.
- ❖ Extend the expiration of permits to 180-days
- ❖ Modify the bond provision to require a copy of a current surety bond rather than a cash bond

CHAPTER 6 BUSINESS REGULATIONS

ARTICLE 6.03 PEDDLERS AND SOLICITORS*

ARTICLE 6.03 PEDDLERS AND SOLICITORS*

Division 1. Generally

Division 1. Generally

Sec. 6.03.001 Purpose

This article is and shall be deemed an exercise of the police powers of the state and of the city for the public safety, comfort, convenience, and protection of the city and the citizens thereof, and all of the provisions of this article shall be constructed for the accomplishment of that purpose. (1999 Code, sec. 66-1)

Division 1. Generally

Sec. 6.03.002 Definitions

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Charitable purpose. The solicitation of money or property for the benefit of a charity, philanthropy, or nonprofit organization or for poor, underprivileged, needy, crippled, or handicapped persons; for the teaching of patriotism or assistance to veterans or veterans' organizations; or for existing educational institutions or for the establishment or endowment of educational institutions. Nonprofit organizations shall include but not be limited to Multiple Sclerosis, American Heart Association, Muscular Dystrophy, American Cancer Society, Boy Scouts of America, Girl Scouts, etc.

Consumer. An individual who acquires real or personal property, services, money, or credit for personal, family or household purposes.

Parkway. The area between the edge of the designated street and the adjacent owner's property line.

Peddler, solicitor, or person. Any individual, firm, company, partnership, corporation, association, trust, society, religious sect, organization, league, or other legal entity, and includes any trustee, receiver, assignee, agent, or similar representative.

Religious organization. An organization that is dedicated to the support of a church, religious society, or any other religious sect, group, or order.

Sidewalk. Any surface provided for the exclusive use of pedestrians.

Solicitation. Conduct whereby a person or its agent, member, or representative solicits property, financial aid, money, or any article representing monetary value; or sells or offers to sell a product, article, tag, service, publication, ticket, advertisement, or subscription. Solicitation shall include persons engaged in the delivery of handbills or circulars door to door for the solicitation of money, products, services or other items of pecuniary value.

Street. The portion of the street that is paved, designated, or used for vehicular traffic, and all areas dedicated to public use for public street purposes, which includes parkways, alleys, and sidewalks.

Traffic island. A barrier within a street or roadway to exclude vehicles, designated for the purpose of separating or directing streams of vehicular traffic.

(1999 Code, sec. 66-2)

Division 1. Generally

Sec. 6.03.003 Penalty

Any person violating any of the provisions or terms of this article shall be deemed guilty of a misdemeanor and, upon conviction, be punished by a fine not to exceed the sum of \$500.00 for each offense, and each and every day such violation shall continue shall be deemed to constitute a separate offense. Allegation and evidence of a culpable mental state is not required for proof of any offense defined by this article. (1999 Code, sec. 66-7)

Division 1. Generally

Sec. 6.03.004 Prohibited locations, activities and conduct

(a) It shall be unlawful for any person to peddle, solicit, hawk, sell or take orders for or offer to take orders for any item or service in the following places in the city:

(1) On any public street or alley or traffic island; or

(2) Any residence which shall exhibit in a conspicuous place upon or near the main entrance to the residence [a sign] containing the words "NO SOLICITORS." The letters shall be not less than two-thirds of an inch in height and should be displayed on a weatherproof card not less than three inches by four inches in size.

(b) It shall be unlawful for any person to block or obstruct or hinder the free flow of traffic in the lawful use of the street or free passage of pedestrians in the lawful use of the sidewalk. No solicitations, sales, or distribution of merchandise, products, or service shall be offered or made to occupants of motor vehicles moving or stopped in traffic on a public street or alley.

(c) It shall be unlawful for a person engaged in solicitation to:

(1) Misrepresent the purpose of the solicitation;

- (2) Misrepresent the affiliation of those engaged in the solicitation;
- (3) Continue efforts to solicit from an individual once that individual informs the solicitor that he does not wish to give anything to or buy anything from that solicitor;
- (4) Represent the issuance of any permit or registration under this article as an endorsement or recommendation of the solicitation;
- (5) Go on property upon which the owner of the property or the person controlling the property has posted signs prohibiting solicitation; or
- (6) Remain on property after the property owner, or the property owner's designee, representative or agent, has instructed the solicitor to leave.

(d) No solicitor, or person working on his or her behalf, shall shout, make an outcry, blow a horn or whistle, or use any sound device, including any sound-amplifying system, upon any of the streets, avenues, alleys, parks or other public places of the city, or otherwise be in violation of the city's noise ordinance.

(e) No person shall engage in solicitation through the delivery of handbills or circulars by placing said handbills or circulars on motor vehicles, public utility posts, or other location such that the same constitutes littering under V.T.C.A., Health and Safety Code ch. 365.

(f) It shall be unlawful for any person to use children 14 years of age or younger for solicitation activities, unless otherwise expressly permitted herein, unless such children are actively supervised by a parent, guardian or other adult person at least 18 years of age who is registered as provided herein. For purposes of this section, actively supervised means that the adult person shall be within 100 feet of all children 14 years of age or younger for whom the adult person is responsible at all times when the children are engaged in solicitation activities.

(1999 Code, sec. 66-4)

Division 1. Generally

Sec. 6.03.005 Hours and days of operation

No person shall peddle, solicit, hawk, sell or take orders for or offer to take orders for any item or service at a private residence in the city after sunset on any day until 9:00 a.m., Monday through Saturday, unless the transaction is the result of a request made to such person by the occupant of such private residence. "Sunset" means the time of day identified by the National Weather Service as the time for sunset for that day for the city. There shall be no solicitations on Sunday, New Years Day, Fourth of July, Memorial Day (observed), Labor Day (observed), Thanksgiving, or Christmas Day.
(1999 Code, sec. 66-5)

Division 1. Generally

Sec. 6.03.006 Consumer's right to cancel transaction

(a) The merchant, peddler, or seller shall provide to the consumer in writing the right to cancel a solicitation transaction made in person or by telephone in which the consideration exceeds \$5.00, until midnight of the

third business day after the day on which the consumer signs an agreement or offer to purchase in a solicitation transaction. For purposes of a telephone solicitation, date of transaction means the day that the consumer receives the goods, services, or realty purchased in a solicitation transaction.

(b) If the consumer chooses to cancel the solicitation transaction, notification by mail shall be considered given at the time mailed as evidenced by the postmark, notification by telegram shall be considered given at the time filed for transmission, and notification by any other writing shall be considered given at the time delivered to the merchant's designated place of business.

(c) It shall be unlawful for a merchant, peddler, or seller to refuse to allow the customer to cancel the solicitation transaction.

(d) Cancellations authorized and the procedure and notice requirements set forth in V.T.C.A., Business and Commerce Code ch. 601, as it may be amended, are applicable to this section, for transactions applicable thereunder.

(1999 Code, sec. 66-6)

State law reference—Cancellation of certain consumer transactions, V.T.C.A., Business and Commerce Code, ch. 601.

Division 1. Generally

Secs. 6.03.007–6.03.040 Reserved

ARTICLE 6.03 PEDDLERS AND SOLICITORS*

Division 2. Permit

Division 2. Permit

Sec. 6.03.041 Required; transfer; contents; age requirement

(a) It shall be unlawful for any person to peddle, sell, solicit, canvass, or take orders for any services, wares, merchandise, or goods, or any article of value, including plants, flowers, paintings, novelties, painting house numbers on streets, firewood, books, magazines, photographs, or any articles for future delivery, on a sidewalk, parking lot or parkway within the city or from door to door, without having first obtained a permit therefor from the city.

(b) Each person engaged in peddling or soliciting or selling as defined in subsection (a) above must have a permit issued under the terms of this division, and such permit shall be personal to the applicant and shall not be reproduced nor assigned nor transferred to any other person. Any such attempted transfer or reproduction shall render the permit void.

(c) Each permit shall expire as of the date noted thereon, which date shall be in accordance with the provisions of this article, and such permit shall indicate the hours when peddling, solicitation and selling within the city is permitted in accordance with the provisions of this article.

(d) A permit shall not be issued to any person under 14 years of age.

(e) Solicitation shall be deemed completed when made, regardless of whether the person making the solicitation receives any contribution or makes any sale.

(1999 Code, sec. 66-3(a))

Division 2. Permit

Sec. 6.03.042 Application information

Each application for a permit required by this division shall be in writing, under oath, notarized, and shall set out the following:

- (1) Name of the applicant, with his permanent residence;
- (2) Name and address of the firm or persons he represents;
- (3) Name and address of each person to solicit under the permit;
- (4) The kind, type and character of goods or services he proposes to offer for sale, including the name brand, manufacturer and distributor of goods and commodities and the name, publisher and distributor of all books, magazines or periodicals to be offered for sale;
- (5) Names and addresses of five persons as references, excluding relatives and persons living with the applicant;
- (6) How often the applicant will solicit during the year;
- (7) The names of any cities where the applicant has worked within the previous 30 days;
- (8) Whether the applicant, or any solicitor listed in the application, has ever been convicted of a felony or a misdemeanor involving moral turpitude;
- (9) State driver's license number or a state-approved identification card number of the applicant and each solicitor;
- (10) Social security number of the applicant and each solicitor.

(1999 Code, sec. 66-3(b))

Division 2. Permit

Sec. 6.03.043 Attachments to application

In addition, there shall be attached to each application for a permit the following:

- (1) Two recent photographic likenesses of the applicant's face, and any solicitor soliciting under said permit, which photographs shall not exceed one inch square in size.

- (2) A certificate or letter from the president, vice-president, general manager, sales manager, assistant sales manager or district or area manager of the company for which the applicant works, sells or solicits, stating that the applicant is an employee and/or agent of such company.
- (3) A reference to a recognized financial rating publication, which reference shall show the page on which the company's or firm's financial standing can be found; or a letter or a certificate from an association or organization which has as its purpose the protection of citizens of the United States against illegal or unsavory business practices stating that the firm or company is a member in good standing of such association or organization.
- (4) In the event that the applicant is an individual who is not canvassing, selling or soliciting for any firm or company, letters of recommendation from two citizens of the applicant's permanent residence shall be submitted.

(1999 Code, sec. 66-3(c))

Division 2. Permit

Sec. 6.03.044 Application fee

The application shall be accompanied by a \$200.00 fee for the original solicitor or applicant, plus a \$50.00 fee for each additional solicitor, for the investigation and administration of the provisions of this article. (1999 Code, sec. 66-3(d))

Division 2. Permit

Sec. 6.03.045 Investigation of applicant

It shall be the duty of the chief of police, or his authorized designee, to investigate each applicant, and all other persons listed on the application, before issuance of a permit, which investigation may include but is not necessarily limited to personal interviews with named individuals, criminal history checks, and verification of references and information contained within the application. (1999 Code, sec. 66-3(e))

Division 2. Permit

Sec. 6.03.046 Issuance or denial; expiration

It shall be the duty of the chief of police or his authorized designee to issue or refuse to issue such permit not earlier than five days nor later than two weeks from the time the application is received by him. All the permits shall expire within 90 days from the date of issuance. The chief of police or his authorized designee may refuse to grant a permit if he discovers, in the course of his investigation, that the applicant, or any solicitor, has committed fraud or misrepresentation, has been convicted of a felony or a misdemeanor involving moral turpitude, or has failed to furnish items required by this article in the permit application. (1999 Code, sec. 66-3(f))

Division 2. Permit

Sec. 6.03.047 Renewal

Each permit may be renewed once for an additional 90-day term. A renewal permit may be issued by submitting a completed renewal application to the city for review at least 15 days prior to the end of the original term. Additional solicitors may be added to the permit during the renewal process for a fee of \$50.00 per additional solicitor. No renewal is available for any solicitor added during the renewal process. The renewal permit is subject to the same terms and conditions as the original application. The city shall have ten days to approve or deny the application for renewal. The renewal permit shall expire within 90 days from the end of the original term. At the end of the 180-day time period, the permit expires and a new permit must be reapplied for under the same terms and conditions as the original application and subject to the same fees. (1999 Code, sec. 66-3(g))

Division 2. Permit

Sec. 6.03.048 Display

It shall be unlawful for any person to sell or solicit in the city without displaying the permit required by this division on his person, in plain view, while engaged in such soliciting or selling. (1999 Code, sec. 66-3(h))

Division 2. Permit

Sec. 6.03.049 Identification to prospective customers; exhibition of permit

Every solicitor or peddler or seller shall identify himself as a salesman upon approaching a citizen in a public place or at a private dwelling and explain his purpose, whether it be direct sales, solicitation or orders of the demonstration of goods or merchandise, or any combination of purposes thereof, and shall produce for inspection, upon request by any person, the solicitor's permit issued by this city. (1999 Code, sec. 66-3(i))

Division 2. Permit

Sec. 6.03.050 Responsibility of permit holder for acts of representatives

The recipient of a permit or named applicant shall be responsible for the acts of his/her authorized representatives or solicitors listed in permit application in connection with solicitation activities. In this regard, the recipient of the permit shall actively supervise all persons listed in the permit application, which supervision shall include but not be limited to remaining within the corporate city limits during all solicitation activity and responding promptly (within ten minutes) to calls by city representatives relative to the solicitation activity, which may include responding to an on-site complaint from a citizen. (1999 Code, sec. 66-3(j))

Division 2. Permit

Sec. 6.03.051 Revocation

(a) If, after the permit required by this division has been issued, the chief of police, or his authorized designee, finds that the permit was obtained by false representation in the application, or the permit has been reproduced or transferred or assigned to another person or the applicant has led someone to believe the permit is an endorsement of the applicant's product or service by the city, or in the event of fraud or misrepresentation by the permit holder, or in the event of conviction of the permit holder of a felony or a misdemeanor involving moral turpitude, or in the event the permit holder has failed to furnish the items required by this article, such permit may be revoked by the chief of police or his authorized designee.

(b) If a police officer has probable cause to believe that a solicitor has engaged in prohibited conduct as defined by this article, the officer may revoke the permit of the permit holder.

(1999 Code, sec. 66-3(k))

Division 2. Permit

Sec. 6.03.052 Appeals

Should an applicant be denied a permit, or have a permit revoked, he may appeal that action to the city manager by submitting a letter to the chief of police within ten days to complain of that action. A hearing of the denial will then be scheduled by the city manager within ten days of filing the appeal. The city manager will render a decision on the appeal within ten days of such hearing. A decision of the city manager shall be final and binding. No new application for a permit will be considered for six months after denial or revocation, unless said denial or revocation is without prejudice or is conditional and the conditions have been satisfied as determined by the city manager. (1999 Code, sec. 66-3(l))

Division 2. Permit

Sec. 6.03.053 Exemptions

(a) The following persons engaged in the activities set out in subsections (1) through (3) below in the city shall first register with the chief of police by filling out a form to be promulgated by the chief of police in accordance with the provisions of this article and by furnishing proof that he is actually engaged in such activity in the city, and the chief of police shall issue to such person a registration certificate exempting him from the terms and conditions of this division and from paying a fee therefor, namely:

- (1) Public utility companies or others operating under a franchise granted by the city;
- (2) Commercial agents dealing with local business establishments in the usual course of business; and
- (3) Insurance salesmen, real estate salesmen and others licensed by the state which are subject to financial disclosure under state or federal law.

Before engaging in any solicitation, the persons listed above must obtain a registration certificate from the chief of police and exhibit the same to any person who requests such identification. Children under the age of 14 may participate in such activities to the extent they are actively supervised by a parent, guardian or other adult person, at least 18 years of age, who is responsible for the well-being of the child, said responsible party also being identified on the registration certificate. It shall be a violation of this article for any person to fail to obtain such a registration certificate prior to engaging in solicitation and to fail to bring and exhibit the same upon request.

(b) Religious, political, or nonprofit organizations and their representatives are exempt from the registration and permit requirements of this article. A donation received from the distribution of handbills or pamphlets does not affect this exemption.

(1999 Code, sec. 66-3(m))

Division 2. Permit

Sec. 6.03.054 Bond

Each person engaging in solicitation activities requiring cash deposits or taking orders on delivery purchases (COD) or who requires a contract of agreement to finance the sale of any goods, services or merchandise for future delivery, or for services to be performed in the future, shall furnish to the city a cash bond in the amount of \$5,000.00, naming the applicant for the permit as principal. The bond shall be in full force and effect for one year from the date of issuance of the permit, unless otherwise extended by demand of the city due to the revocation of the permit, or an anticipated delivery date beyond 12 months, in order to protect the citizens of the city from potential losses associated with such solicitations. (1999 Code, sec. 66-3(n))

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 11

MEETING DATE: 01/23/18

SUBJECT: Mayor and Council Reports on Items of Community Interest

PREPARED BY: Angela Miller, City Secretary

COMMENTS

Pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 12

MEETING DATE: 01/23/18

SUBJECT: Consider Approval of Minutes of the Regular Meeting held on January 9, 2018

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

Minutes are approved by a majority vote of Council at the Council meetings and listed on the Consent Agenda.

IDENTIFIED NEED/S:

Council is encouraged to call the City Secretary's Office prior to the meeting with suggested changes. Upon doing so, staff will make suggested changes and the minutes may be left on the Consent Agenda in order to contribute to a time efficient meeting. If the change is substantial in nature, a copy of the suggested change will be provided to Council for consideration prior to the vote.

OPTIONS & RESULTS:

The City Council should review and consider approval of the minutes. Council's vote and approval of the minutes reflect agreement with the accuracy of the minutes.

PROGRESS TO DATE: (if appropriate)

The City Manager has reviewed the minutes and given approval to include the minutes in this packet.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

To approve the minutes of the January 9, 2018 meeting.

**MINUTES OF THE REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HELD AT THE HIGHLAND VILLAGE MUNICIPAL COMPLEX
LOCATED AT 1000 HIGHLAND VILLAGE ROAD
TUESDAY, JANUARY 9, 2018**

Call to Order

Mayor Charlotte J. Wilcox called the meeting to order at 6:00 p.m.

Roll Call

Present:	Charlotte J. Wilcox Michelle Schwolert Michael Lombardo Barbara Fleming Fred Busche John McGee Daniel Jaworski	Mayor Mayor Pro Tem Councilmember Deputy Mayor Pro Tem Councilmember Councilmember Councilmember
Staff Members:	Michael Leavitt Kevin Laughlin Ken Heerman Angela Miller Doug Reim Cory Gullo Phil Lozano Laurie Mullens Andrew Boyd Karen Bradley	City Manager City Attorney Assistant City Manager City Secretary Police Chief Police Corporal/Detective Parks and Recreation Director Director of Marketing & Communic Media Specialist Administrative Assistant
Guests:	George Staples John Snider	City Attorney Attorney from Texas Municipal Police Association

EARLY WORK SESSION

1. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of January 9, 2018

Relating to Agenda Item #11, Councilmember Lombardo asked if funds for the project were included in the budget. City Manager Michael Leavitt stated it was included in the Utility Fund budget.

Mayor Wilcox announced Council would meet in Closed Session and read Agenda Items #2(a) and #2(b).

CLOSED SESSION

Council convened into Closed Session at 6:02 p.m.

2. Hold a closed meeting in accordance with the following sections of the Texas Government Code:

- (a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation, including Litigation regarding Horner vs. City of**

Highland Village, and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)

- (b) Section 551.071 – Discuss pending lawsuit with City's attorneys, specifically, the case styled *Horner, et.al. v. City of Highland Village, et al.*, Cause No: 4:17-cv-774 in the United States District Court (E.D. Texas - Sherman Division)

Council concluded Closed Session at 6:40 p.m.

OPEN SESSION

3. Call to Order

Mayor Charlotte J. Wilcox called the meeting to order at 7:30 p.m.

Roll Call

Present:	Charlotte J. Wilcox Michelle Schwolert Michael Lombardo Barbara Fleming Fred Busche John McGee Daniel Jaworski	Mayor Mayor Pro Tem Councilmember Deputy Mayor Pro Tem Councilmember Councilmember Councilmember
Staff Members:	Michael Leavitt Kevin Laughlin Ken Heerman Angela Miller Doug Reim Scott Kriston Phil Lozano Laurie Mullens Andrew Boyd	City Manager City Attorney Assistant City Manager City Secretary Police Chief Public Works Director Parks and Recreation Director Director of Marketing & Communic Media Specialist

4. Prayer to be led by Mayor Charlotte J. Wilcox

Mayor Wilcox gave the invocation.

5. Pledge of Allegiance to the U.S. and Texas Flags to be led by Mayor Charlotte J. Wilcox

Mayor Wilcox led the Pledge of Allegiance to the U.S. and Texas Flags.

6. Visitor Comments

No one wished to speak.

7. City Manager/Staff Reports

City Manager Michael Leavitt stated there has been some confusion and questions regarding the pickup of recycling items outside the recycle bin – particularly after Christmas as many households had more boxes than normal. He reported Waste

Management's contract specifies material outside the recycle bin will be picked up as bulk trash.

He stated that in 2013 the City of Highland Village and Waste Management modified our contract for recycling service from blue bags to carts. Waste Management has informed us their contract, policies and training in all cities in North America who use containerized recycling directs teams to only service the recycling bin with the recycling truck, not the materials outside of the bin. Mr. Leavitt stated residents have reported to us items outside their bin have been picked up as recycling in the past. He reported Waste Management has stated that may be the case for some however it is more likely these items were picked up by the trash truck and the resident only saw that the material had been picked up.

Mr. Leavitt reported our current contract with Waste Management expires in August of this year and we are currently in the final steps of releasing our RFP for vendors wishing to provide solid waste services in Highland Village.

He further stated, our community has a high participation level in the recycling program. If residents would like an additional recycle cart, they can email their request to utilitybilling@highlandvillage.org and City crews will deliver a new cart to their curb within three days. An extra \$2 per month will be added to resident's utility bill for each additional cart.

Mayor Wilcox clarified that the City has not instructed Waste Management to stop picking up recycling items outside the recycle bin. Mr. Leavitt stated that was a management decision made by Waste Management.

- **HVTV Update**

The latest video report from HVTV News was shown:

General Election – a General Election will be held on May 5, 2018 for City Council Places 1 (Mayor), 2, 4, and 6; anyone interested in being a candidate may visit the City's website and select the Elections tab to view eligibility requirements and to download the required paperwork; candidates may also contact the City Secretary's Office if they have any questions or would like to receive hard copies

Father Daughter Dance – tickets are on sale now for the Father Daughter Dance, which will be held on Friday, February 2 at the Hilton Garden Inn located in Lewisville; visit the City's website to purchase tickets online or in-person at the Robert & Lee DuVall Center

Give Us Your Best Shot Photo Contest – the City is looking for your best photos; categories include: City Parks, City Events, Family Fun, Nature/Wildlife/Pets; prizes will be awarded in each category; entry deadline is Jan 12, 2018; visit the City's website for contest rules and entry form

8. Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety

- **Recognition of Marcus High School Marching Band – Finalists in the Bands of America Grand National Championship**

The Marcus High School Marching Band and their Assistant Band Director Chase Howard were recognized as finalists in the Bands of America Grand Nationals.

- **Presentation of a Capital Credit Check from CoServ**

Vicki Sargent, Director of Community Relations and Tracee Elrod, Area Manager for Business and Government Relations presented the City with a capital credit check in the amount of \$19,630.05.

CONSENT AGENDA

9. **Consider Approval of Minutes of the Regular Meeting held on December 12, 2017**
10. **Consider Ordinance 2017-1239 Repealing Code of Ordinances Article 2.07 relating to Assistance to Non-Profit Organizations (2nd and final read)**
11. **Consider Resolution 2018-2730 Authorizing the City Manager to Enter into a Contract with CFG Industries, LLC for the Idlewild Court Elevated Storage Tank Repainting Project**
12. **Receive Budget Reports for Period Ending October 31, 2017**

Motion by Councilmember Lombardo, seconded by Councilmember McGee, to approve Consent Agenda Items #9 through #12. Motion carried 7-0.

ACTION AGENDA

13. **Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:**
 - (a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation, including Litigation regarding Horner vs. City of Highland Village, and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
 - (b) **Section 551.071 – Discuss pending lawsuit with City's attorneys, specifically, the case styled *Horner, et.al. v. City of Highland Village, et al.*, Cause No: 4:17-cv-774 in the United States District Court (E.D. Texas - Sherman Division)**

NO ACTION TAKEN

14. **Consider Resolution 2018-2729 Adopting Revised Policy regarding Financial Assistance Grants to Non-Profit Organizations**

APPROVED (7 – 0)

City Secretary Angela Miller reported in 2003, the City adopted an ordinance establishing a policy regarding the provision of financial assistance grants to non-profit agencies. This provided for a uniform policy and outlined criteria that must be satisfied in order for an organization to be eligible for consideration. No updates or changes have been made to the policy since its adoption in 2003.

Mrs. Miller reported the existing policy requires non-profit organizations desiring funding from the City to submit requests to the City Secretary's Office by April 15. Following a review of the policy, staff recommends amending the policy so that the deadline for submission of requests can be established each year based on the budget adoption

calendar, but no later than August 31. She stated this date is more in line with current procedures and more timely when presentations are made to Council by the non-profit organizations. Since the policy has not been reviewed in close to 15 years, the City Attorney also reviewed and made additional clean up changes to the wording of the policy as well as adding language making it clear that grants are subject to forfeiture if the required contract is not signed and returned to the City by the deadline established by the City. No change regarding the level of funding the City may provide was proposed.

Mrs. Miller further reported, in being consistent with general practice of the City approving policies by resolution, the revised policy is submitted for consideration as a resolution. Concurrent with the resolution is repeal of the current ordinance, which was approved by Council on first read at the December 12th meeting, and on second read tonight on the Consent Agenda.

Motion by Mayor Pro Tem Schwolert, seconded by Deputy Mayor Pro Tem Fleming, to approve Resolution 2018-2729 adopting revised policy regarding financial assistance to non-profit organizations. Motion carried 7-0.

LATE WORK SESSION

15. Discuss Proposed Regulations relating to the Use of Neighborhood Electric Vehicles (NEV), Low Speed Vehicles (LSV) and Golf Carts in Highland Village

The following person spoke:

Casey Sundt (2890 Woodhollow Drive) – Mr. Sundt stated he is glad the item is being discussed and that safety is a concern everyone shares. He owns a golf cart, which does have seat belts. Mr. Sundt reported he reviewed the proposed regulations and asked Council to reconsider the following three (3) items:

- ❖ Requiring a safety car seat for persons younger than six (6) years of age for golf carts and NEVs
- ❖ Requiring golf carts to have two (2) headlamps and two (2) tail lamps – consider that there are different options available
- ❖ Requiring that golf carts and NEVs have headlights and tail lights on during daytime hours when operated on a public street or public ROW – is this needed if only allowed to operate during daytime hours

Mayor Wilcox stated she had received an email from resident Natalie Schock, requesting her information be read into the minutes:

“On behalf of my family, we are in support of allowing NEV, LSV golf carts in our lakeside community. I think with the proper rules and regulations, allowing golf carts can actually make Highland Village an even more desirable community and also allow for old-fashioned suburban social interaction and better connect neighbors in a busy world.”

Police Chief Doug Reim stated he would like the regulations for golf carts to be similar to those for an NEV and LSV and he is seeking direction from an enforcement standpoint. By having a registration process, it provides an avenue to address safety requirements. Councilmember Busche stated he prefers only units with a vehicle identification number (VIN) be allowed on a public street.

Each member of Council provided comments on the proposed regulations:

Councilmember Jaworski asked why there was a requirement for lights on a unit if it could only be operated during the day and why a two (2) year permit rather than a one (1) year is being proposed. Mr. Leavitt stated the use of lights was for safety reasons and that most cities he researched have two (2) year permits, which he felt was fair and reasonable. Councilmember Jaworski stated he feels only individual's with a valid driver license should be allowed to operate and asked to include that drivers with only a learner permit not be allowed to operate a unit. Since NEV/LSV/golf carts are not allowed on the trails or FM 2499, Councilmember Jaworski asked about the grass areas along the trails or FM 2499. He was also concerned that some residents may be excluded from use because they may live in an area with restricted access on certain roadways. City Attorney Kevin Laughlin reported they would be prohibited from the grassy areas mentioned.

Councilmember Jaworski voiced concern with how to safely secure smaller children, such as babies. He also asked if there was going to be a fee for registration. Mr. Leavitt and Chief Reim stated any fees would simply be to cover the cost of the registration process, but kept as minimal as possible. Mr. Leavitt stated the fee aspect would have to be researched further.

Deputy Mayor Pro Tem Fleming voiced concern about their use on Brazos and Briarhill Boulevards due to the traffic on those roadways. She also voiced concern that, with Unity Park being a premier park in the city, some people would not be able to use their NEV/LSV/golf cart to get there if coming from the other side of town due to restricted use on certain roadways.

Councilmember Busche stated only drivers with a valid driver license should be allowed to operate a NEV/LSV/golf cart, and that the unit should be inspected every year.

Councilmember McGee voiced concern regarding proper safety restraints for children under six (6), and how to realistically secure them. He also stated he had seen teens recklessly driving units and that he favors requiring only drivers with a valid driver license be allowed to operate a NEV/LSV/golf cart. He also asked if thoroughfares could be restricted. Mr. Laughlin stated thoroughfares could be restricted.

Mayor Pro Tem Schwolert stated she had concerns with children driving units after dark and allowing units on public streets with a 35 mile per hour speed limit, especially golf carts on streets such as Highland Village Road.

Councilmember Lombardo voiced concern with the time and staff required for the Police Department to conduct inspections and issue permits. He stated the issue should be left to the state. Mr. Leavitt stated he is only proposing units be registered with the City, with a permit issued by the City and that no inspection will be conducted.

Mayor Wilcox stated requiring golf carts to have headlights on during daytime hours when operated on a public street or public ROW needs to be reviewed again. She stated she did not want children operating units at night and that she does agree only drivers with a valid driver license should be allowed to operate a NEV/LSV/golf cart.

Chief Reim recommended changing the maximum speed limit on public streets on which a golf cart or NEV is operated from *"35 miles per hour or less"* to *"30 miles per hour or less"*. Councilmember Busche asked if use on streets such as Brazos or Sellmeyer could be restricted. Mr. Laughlin stated they could, but would need to be identified in the ordinance.

The following resident also spoke:

Leslie Andrus (2890 Hillside Drive) – Ms. Andrus stated she has owned a NEV since her youngest child was approximately six (6) months old and has used the lap belts to convert her 5-point safety harness car set. She stated some older units do not have seat belts that would work with car seats but thinks Council should allow families to use their common sense. In addition, Ms. Andrus stated she has to have insurance for her NEV and has to register with the state. She asked if NEV owners are also going to be required to pay for another registration in addition to that one.

Mr. Leavitt stated staff has some direction now and that the following edits would be provided to Council at the next meeting:

- ❖ Hours of operation
- ❖ Inserting a definition for a LSV, similar to the one included for a NEV
- ❖ Relating to golf cart regulations, changing the sentence that reads: No person may stand or ride in the lap of the driver and/or other passenger of a golf cart while *“it is moving”* to read *“...in operation.”*
- ❖ Relating to additional operational regulations for all golf carts and NEVs:
 - Removing Item (h) – Children must be properly seated while a golf cart or NEV is in motion and may not be transported in a reckless or negligent manner. No person younger than six (6) years of age may be transported in a golf cart or NEV unless restrained by a safety car seat to the same extent required for transportation in a motor vehicle in accordance with the Texas Transportation Code Section 545.412.
 - Remove Item (l) – If not equipped with stop or turn signals, driver must use appropriate hand signals for stopping or turning.

Mr. Leavitt stated if Council had any further edits to please contact him or Chief Reim.

16. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)

City Manager Leavitt provided the following update:

Planning and Zoning Commission meeting – Mr. Leavitt stated there will be a P&Z meeting on Tuesday, January 16. He reported the owner of a proposed redevelopment of the land located on the east side of Doubletree Ranch Park will be making a presentation of what is being proposed, prior to submitting any formal application. The project would include 39 single family homes. This will be a presentation and discussion item only.

Timeline for Unity Park – Staff is waiting on completion of the hydrology study for the pond. Once the study is received the pond renovations will begin, before rebuilding of Kids Kastle. This may be late 2018 or into 2019. The Parks and Recreation Director will schedule public meetings to get input from residents. Mayor Wilcox asked if the handprints from the old structure would be incorporated into the new one. Some will be used and others may have to be returned, but this would be discussed at the public meetings.

Councilmember McGee thanked staff on behalf of the Denton County Military Veterans Peer Network for the use of the Robert & Lee DuVall Center for their Veterans and Family Christmas luncheon. Councilmember McGee also voiced concern with drivers running the stop signs at the Garden Ridge/I-35 bridge.

17. Adjournment

Mayor Wilcox adjourned the meeting at 9:48 p.m.

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 13

MEETING DATE: 01/23/18

SUBJECT: Consider Resolution 2018-2731 Calling a General Election to be held on May 5, 2018 for the Purpose of Electing Council Members to Places 1 (Mayor), 2, 4, and 6; and Authorizing a Joint Election Agreement and Contract for Election Services with Denton County

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

Pursuant to the City Charter and Texas Election Code, the City's General Election is held on the uniform election date on the first Saturday in May. The Charter further requires that the offices of Council Member Places 1 (Mayor), 2, 4, and 6 be elected at the General Election in even-numbered years. All members shall be elected under the place system, at large, for two (2) year terms. A candidate for an elected office shall have been a resident of the City for a period of twelve (12) months prior to the date of the election and a qualified voter of the State of Texas.

The City Secretary's Office is responsible for conducting municipal elections as prescribed by the Texas Election Code. In accordance with the Texas Election Code, the City's election will be conducted jointly with other political subdivisions of Denton County. The proposed resolution calls for the May 5, 2018 general election, provides for the appointment of election officials, provides for early voting and election day procedures, authorizes a joint election agreement and contract for election services with Denton County.

The proposed resolution authorizes the City Manager to execute an agreement for a joint election and contract for election services with Denton County.

IDENTIFIED NEED/S:

The Council is required to call an election no later than 78 days prior to Election Day.

OPTIONS & RESULTS:

N/A

PROGRESS TO DATE: (if appropriate)

Denton County Elections Administrator Frank Phillips will serve as the administrator of the Joint Election, with each participating entity remaining responsible for decisions and actions as required by law.

The contract provides for the following:

- Denton County will coordinate, supervise and conduct the Joint Election pursuant to provisions of the Texas Election Code;
- All election officials, including the Early Voting Clerk, shall be officials appointed by Denton County;
- Denton County will procure, prepare and distribute supplies and equipment for Early Voting and Election Day;
- Denton County shall be responsible for appointment of presiding judge and alternate judge for each polling location;
- Early Voting will be conducted jointly with all participating entities beginning April 23, 2018 and concluding May 1, 2018 at the locations and times established by the County. Highland Village voters may vote early at any joint early voting location;
- Denton County shall be responsible for releasing unofficial cumulative totals and precinct returns from the election to joint participants, candidates, press and general public;
- Denton County is the general custodian of voted ballots and all records of the Joint Election;
- Runoff election, if needed, will be conducted on Saturday, June 16, 2018.

In accordance with Texas Election Code 2.051-2.053, the City may cancel the General Election if Places 1 (Mayor) 2, 4, and 6 are unopposed.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

The City's General Election is funded in the fiscal year 2017-2018 budget.

RECOMMENDATION:

To approve Resolution No. 2018-2731.

CITY OF HIGHLAND VILLAGE

RESOLUTION NO. 2018-2731

A RESOLUTION AUTHORIZING A GENERAL MUNICIPAL ELECTION TO BE HELD ON MAY 5, 2018 FOR THE PURPOSE OF ELECTING COUNCIL MEMBERS TO PLACES 1 (MAYOR), 2, 4, AND 6; AUTHORIZING A JOINT ELECTION WITH OTHER DENTON COUNTY POLITICAL SUBDIVISIONS; CONTRACTING FOR ELECTION SERVICES WITH DENTON COUNTY; PROVIDING FOR A RUNOFF DATE; AND PROVIDING AN EFFECTIVE DATE

Whereas, the general election for the City of Highland Village, as set forth by the Texas Election Code, is required to be held on May 5, 2018, at which time the voters will elect persons to City Council Places 1(Mayor), 2, 4, and 6; and

Whereas, in accordance with Section 271.002 of the Texas Election Code, the City election will be conducted jointly with other political subdivisions of Denton County, Texas.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THAT:

Section 1. A general municipal election is hereby ordered to be held on the 5th day of May, 2018 for the purpose of electing Council members to Places 1 (Mayor), 2, 4, and 6 by the qualified voters of the City of Highland Village.

Section 2. The election will be conducted jointly with other political subdivisions in Denton County on May 5, 2018, pursuant to Chapters 31 and 271, Texas Election Code.

Section 3. The election precinct and voting place of said elections shall be as follows:

City Voting Precinct
Highland Village Municipal Complex
1000 Highland Village Road
(includes County voting precincts 3002, 3003, 3004, and 3005)

Election polls shall be open from 7:00 a.m. – 7:00 p.m.

Section 4. All election officials, including the Early Voting Clerk shall be the officials appointed to such positions by Denton County and to the extent required by law, are hereby so appointed.

Section 5. Early voting by personal appearance will be held jointly with other Denton County public entities at Denton County's Main Early Voting Site located at the Denton County Elections Office, 701 Kimberly Drive, Suite A101, Denton, Texas 76208 beginning on April 23, 2018 and continuing through May 1, 2018 at the times set forth below:

Date
Monday through Saturday
April 23 – April 28, 2018

Time
8:00 a.m. – 5:00 p.m.

Monday and Tuesday
April 30 – May 01, 2018

7:00 a.m. – 7:00 p.m.

In addition, all qualified and registered voters may vote by early appearance at the following location during the dates and times set forth below:

**Highland Village Municipal Complex
1000 Highland Village Road
Highland Village, TX 75077**

Date

Monday through Saturday
April 23 – April 28, 2018

Time

8:00 a.m. – 5:00 p.m.

Monday and Tuesday
April 30 – May 01, 2018

7:00 a.m. – 7:00 p.m.

Section 6. Additional early voting locations are identified and established by the Denton County Election Administrator.

Section 7. The Denton County Election Administrator is hereby appointed to serve as the Early Voting Clerk and the Election Administrator's permanent county employees are appointed as deputy early voting clerks.

Applications for ballot by mail shall be mailed to:

Frank Phillips, Early Voting Clerk
Denton County Elections
P.O. Box 1720
Denton, TX 76202

Applications for ballots by mail must be received no later than the close of business on Tuesday, April 24, 2018.

Section 8. The election shall be conducted pursuant to the election laws of the State of Texas.

Section 9. Should a runoff election be required following the canvass of the May 5, 2018 election, the Council hereby orders that a runoff election be held on Saturday, June 16, 2018. The polling place on Election Day for the runoff election shall be held at the Highland Village Municipal Complex at 1000 Highland Village Road, Highland Village, Texas, 75077 and the hours of voting shall be between 7:00 a.m. and 7:00 p.m.

Section 10. This resolution shall be construed with any action of the Denton County Commissioners Court providing for the conduct of a joint election with other public entities as herein contemplated.

Section 11. The City Manager is hereby authorized to execute the contract for a joint election and election services with Denton County as the authorized representative of the City.

Section 12. The City Secretary is hereby authorized and directed to file, publish and/or post, in the time and manner prescribed by law, all notices required to be so filed, published and/or posted in connection with the conduct of this election.

Section 13. This resolution shall be effective immediately upon adoption.

PASSED AND APPROVED this the 23rd day of January, 2018.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney
(kbl:1/16/18:95083)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 14

MEETING DATE: 01/23/2018

SUBJECT: Consider Resolution 2018-2732 Authorizing the City Manager to Enter into an Agreement with Joe Goddard Enterprises, LLC for the Storm Warning Siren Project

PREPARED BY: Brad Goudie, Fire Chief

BACKGROUND:

In February 2017, the City Manager and Fire Chief/EMC initiated efforts to evaluate the current status of our Outdoor Warning Sirens. The City formed a partnership with graduate students from University of Texas Arlington (UTA), working on their capstone project. The committee worked with city staff to develop situational awareness and make recommended upgrades to staff and council. In April 2017, the City of Dallas experienced a hack which compromised their sirens and security. This event highlighted the need for the city to ensure the reliability of our system.

In May 2017, the group completed this in depth study and made the following recommendations to city staff and council. Current installations are approaching 20 years of age. While the current system is still fully functional, opportunities exist to ensure security and reliability of the program. City staff agreed with the findings of the study and recommended moving forward with upgrades.

IDENTIFIED NEED/S:

Upgrade system boards to incorporate 256k security to prevent unauthorized access

Install secondary monitoring and activation console in Emergency Operations Center

Implement 2 way communications. This allows daily status monitoring of sirens and silent polling. Currently this is only done manually on a monthly basis.

Replace cabinet at Heritage Elementary. Current cabinet is rusted out and in poor shape. Cabinet will be replaced with stainless steel to prevent rusting.

Upgrade 4 sirens to Solar Charging to protect from electrical power loss.

Install software to enable automatic activation of sirens by NWS warning. Current system requires personnel to make evaluation and initiate activation of sirens. This will only activate based on a threat to the identified geographical area.

TOTAL PROPOSED COST FOR EQUIPMENT AND INSTALLATION: \$49,642.23

OPTIONS & RESULTS:

City staff recommends the work to be awarded to Goddard Enterprises. Goddard Enterprises has maintained our current sirens for 20 years and is an authorized Federal Signal vendor.

PROGRESS TO DATE: (if appropriate)

The Sunset Point proposed Siren is not being addressed with this project. It will be a standalone quote and project. Staff desires to make all repairs and upgrades to the existing system before the spring storm season.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

Funds for this project were included in FY2018-19 Budget.

RECOMMENDATION:

To approve Resolution No. 2018-2732.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2018-2732

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AWARDING AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH JOE GODDARD ENTERPRISES, LLC FOR THE STORM WARNING SIREN PROJECT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, based on an evaluation of the City's Severe Storm Warning Siren System, City staff is recommending certain upgrades and replacements in the system to provide better security from outside interference and more reliability in performance; and

WHEREAS, City administration has determined that Goddard Enterprises, LLC, has submitted a responsible proposal for the Storm Warning Siren Project (the "Project") in an amount of \$49,642.23 that provides for substantially all of the recommended upgrades, and recommends award of a contract for the Project to said vendor; and

WHEREAS, the City Council of the City of Highland Village, Texas, finds it to be in the public interest, and necessary for the protection of the health and safety of the City's residents and public and private property to accept the recommendation of the City administration and approve the above described contract agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS THAT:

SECTION 1. The City Manager is hereby authorized to negotiate and execute a contract with Goddard Enterprises, LLC in the amount of \$49,642.23 for the Project and, subject to applicable state laws, city policies, and, in the event change order(s) result in an increase in the contract amount, the availability of funds for such purpose, to negotiate and sign such change order(s) to said contract as the City Manager determines to be in the best interest of the City.

SECTION 2. This Resolution shall become effective immediately upon passage.

PASSED AND APPROVED THIS 23RD DAY OF JANUARY, 2018.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:1/18/18:95149)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 15

MEETING DATE: 01/23/18

SUBJECT: Receive Budget Reports for Period Ending November 30, 2017

PREPARED BY: Ken Heerman, Assistant City Manger

BACKGROUND:

In accordance with the City Charter, Section 6.12, paragraph D, a budget report is submitted monthly for Council Review.

The budget report submitted for November represents the second report in the Fiscal Year.

IDENTIFIED NEED/S:

N/A

OPTIONS & RESULTS:

N/A

PROGRESS TO DATE: (if appropriate)

N/A

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

Council to receive the budget reports for the period ending November 30, 2017.

General Fund Summary

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget (Includes Budget Amendments)	Year to Date	Variance	% Received
Property Tax	\$ 10,654,488	\$ 10,654,488	\$ 597,996	\$ (10,056,492)	6%
Sales Tax	2,675,928	2,675,928	-	(2,675,928)	0%
Franchise Fees	1,687,405	1,687,405	20,965	(1,666,440)	1%
Licensing & Permits	498,728	498,728	108,675	(390,053)	22%
Park/Recreation Fees	236,180	236,180	28,889	(207,291)	12%
Public Safety Fees	40,000	40,000	6,939	(33,061)	17%
Rents	128,832	128,832	10,925	(117,907)	8%
Municipal Court	90,066	90,066	18,853	(71,213)	21%
Public Safety Charges for Svc	456,661	456,661	89,144	(367,517)	20%
Interest Income	56,000	56,000	6,344	(49,656)	11%
Miscellaneous	129,850	129,850	5,637	(124,213)	4%
Total Revenues	\$ 16,654,138	\$ 16,654,138	\$ 894,367	\$ (15,759,771)	5%

Other Sources					
Transfers In	\$ 534,000	\$ 534,000	\$ -	\$ (534,000)	0%
Total Available Resources	\$ 17,188,138	\$ 17,188,138	\$ 894,367	\$ (16,293,771)	

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
City Manager Office	\$ 1,191,357	\$ 1,191,357	\$ 81,389	\$ 1,109,968	7%
Finance (includes Mun. Court)	1,515,676	1,515,676	332,442	1,183,235	22%
Human Resources	555,270	555,270	54,466	500,803	10%
City Secretary Office	339,955	339,955	32,346	307,609	10%
Information Services	1,048,903	1,048,903	248,774	800,128	24%
Police	4,833,212	4,833,212	799,858	4,033,354	17%
Fire	3,123,257	3,123,257	583,985	2,539,271	19%
Community Services	449,477	449,477	69,629	379,848	15%
Streets/Drainage	1,446,257	1,446,257	129,784	1,316,473	9%
Maintenance	867,516	867,516	87,454	780,062	10%
Parks	1,774,086	1,774,086	235,166	1,538,920	13%
Recreation	453,095	453,095	40,886	412,209	9%
Total Expenditures	\$ 17,598,059	\$ 17,598,059	\$ 2,696,179	\$ 14,901,880	15%

Capital Summary	(Included in totals above - summary information only)				
Equipment Replacement	\$ 574,709	\$ 574,709	\$ 225,035	\$ 349,674	39%

Other Uses					
Transfers Out	\$ 16,000	\$ 16,000	\$ -	16,000	0%
Total Expenditures	\$ 17,614,059	\$ 17,614,059	\$ 2,696,179	\$ 14,917,880	

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	4,938,282	4,938,282	4,938,282
+ Net Increase (Decrease)	(425,921)	(425,921)	(1,801,812)
Ending Fund Balance	\$ 4,512,361	\$ 4,512,361	\$ 3,136,470

Fund Balance Detail	Original Budget	Revised Budget	Year to Date
Reserve Fund Balance (15% of Total Expenditures)	\$ 2,639,709	\$ 2,639,709	\$ 404,427
Restricted	11,500	11,500	11,500
Unassigned	1,861,152	1,861,152	2,720,543
Total Fund Balance	\$ 4,512,361	\$ 4,512,361	\$ 3,136,470

General Fund Expenditure Summary

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 11,985,237	\$ 11,985,237	\$ 1,689,649	\$ 10,295,588	14%
Services / Supplies	5,038,113	5,038,113	781,495	4,256,617	16%
Capital	574,709	574,709	225,035	349,674	39%
	\$ 17,598,059	\$ 17,598,059	\$ 2,696,179	\$ 14,901,880	15%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 8,662,992	\$ 8,662,992	\$ 1,123,226	\$ 7,539,766	13%
<i>Employee Benefits</i>	3,322,245	3,322,245	566,422	2,755,823	17%
<i>Total Personnel</i>	\$ 11,985,237	\$ 11,985,237	\$ 1,689,649	\$ 10,295,588	14%

Services / Supplies					
<i>Professional Services</i>	\$ 1,403,078	\$ 1,403,078	\$ 371,402	\$ 1,031,676	26%
<i>Employee Development</i>	345,135	345,135	39,048	306,087	11%
<i>Office Supplies / Equipment</i>	1,005,535	1,005,535	98,913	906,622	10%
<i>Utilities</i>	381,832	381,832	50,366	331,466	13%
<i>Other</i>	1,902,533	1,902,533	221,766	1,680,767	12%
<i>Total Services / Supplies</i>	\$ 5,038,113	\$ 5,038,113	\$ 781,495	\$ 4,256,617	16%

Capital					
<i>Equipment / Vehicles</i>	\$ 574,709	\$ 574,709	\$ 225,035	\$ 349,674	39%
<i>Total Capital</i>	\$ 574,709	\$ 574,709	\$ 225,035	\$ 349,674	39%

<i>Total General Fund Expenditure Summary</i>	\$ 17,598,059	\$ 17,598,059	\$ 2,696,179	\$ 14,901,880	15%
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General Fund Revenue

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Property Tax	\$ 10,654,488	\$ 10,654,488	\$ 597,996	\$ (10,056,492)	6%
Sales Tax	2,675,928	2,675,928	-	(2,675,928)	0%
Franchise Fees	1,687,405	1,687,405	20,965	(1,666,440)	1%
Licensing & Permits	498,728	498,728	108,675	(390,053)	22%
Park/Recreation Fees	236,180	236,180	28,889	(207,291)	12%
Public Safety Fees	40,000	40,000	6,939	(33,061)	17%
Rents	128,832	128,832	10,925	(117,907)	8%
Municipal Court	90,066	90,066	18,853	(71,213)	21%
Public Safety Charges for Svc	456,661	456,661	89,144	(367,517)	20%
Interest Income	56,000	56,000	6,344	(49,656)	11%
Miscellaneous	129,850	129,850	5,637	(124,213)	4%
Total Revenues	\$ 16,654,138	\$ 16,654,138	\$ 894,367	\$ (15,759,771)	5%

City Manager Office

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 397,154	\$ 397,154	\$ 50,241	\$ 346,912	13%
Services / Supplies	794,203	794,203	31,148	763,055	4%
Capital	-	-	-	-	0%
	\$ 1,191,357	\$ 1,191,357	\$ 81,389	\$ 1,109,968	7%

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 313,689	\$ 313,689	\$ 38,042	\$ 275,646	12%
<i>Employee Benefits</i>	83,465	83,465	12,199	71,266	15%
Total Personnel	\$ 397,154	\$ 397,154	\$ 50,241	\$ 346,912	13%

Services / Supplies					
<i>Professional Services</i> <i>(City-wide legal - \$123,820)</i>	\$ 164,320	\$ 164,320	\$ 25,257	\$ 139,063	15%
<i>Employee Development</i>	15,385	15,385	2,660	12,725	17%
<i>Supplies / Equipment</i>	4,210	4,210	111	4,099	3%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Contingency - \$500,000)</i>	610,288	610,288	3,120	607,168	1%
Total Services / Supplies	\$ 794,203	\$ 794,203	\$ 31,148	\$ 763,055	4%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%

Total City Manager	\$ 1,191,357	\$ 1,191,357	\$ 81,389	\$ 1,109,968	7%
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Finance Department FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 956,458	\$ 956,458	\$ 134,856	\$ 821,602	14%
Services / Supplies	559,219	559,219	197,586	361,633	35%
Capital	-	-	-	-	0%
	\$ 1,515,676	\$ 1,515,676	\$ 332,442	\$ 1,183,235	22%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 693,553	\$ 693,553	\$ 92,557	\$ 600,996	13%
<i>Employee Benefits</i>	262,905	262,905	42,299	220,606	16%
Total Personnel	\$ 956,458	\$ 956,458	\$ 134,856	\$ 821,602	14%

Services / Supplies					
<i>Professional Services</i> <i>(City-wide liability insurance - \$113,825 / DCAD - \$74,670)</i>	\$ 504,085	\$ 504,085	\$ 191,854	\$ 312,230	38%
<i>Employee Development</i>	19,683	19,683	1,424	18,259	7%
<i>Supplies / Equipment</i>	13,551	13,551	953	12,598	7%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Special Events)</i>	21,900	21,900	3,355	18,546	15%
Total Services / Supplies	\$ 559,219	\$ 559,219	\$ 197,586	\$ 361,633	35%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%
Total Finance Department	\$ 1,515,676	\$ 1,515,676	\$ 332,442	\$ 1,183,235	22%

Human Resources

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 421,277	\$ 421,277	\$ 40,246	\$ 381,031	10%
Services / Supplies	133,993	133,993	14,220	119,773	11%
Capital	-	-	-	-	0%
	\$ 555,270	\$ 555,270	\$ 54,466	\$ 500,803	10%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 328,107	\$ 328,107	\$ 27,587	\$ 300,520	8%
<i>Employee Benefits</i>	93,170	93,170	12,659	80,511	14%
Total Personnel	\$ 421,277	\$ 421,277	\$ 40,246	\$ 381,031	10%
Services / Supplies					
<i>Professional Services</i>	\$ 47,850	\$ 47,850	\$ 2,595	\$ 45,256	5%
<i>Employee Development</i>	69,843	69,843	8,803	61,040	13%
<i>Supplies / Equipment</i>	1,700	1,700	79	1,621	5%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	14,600	14,600	2,743	11,857	19%
Total Services / Supplies	\$ 133,993	\$ 133,993	\$ 14,220	\$ 119,773	11%
Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%
Total Human Resources	\$ 555,270	\$ 555,270	\$ 54,466	\$ 500,803	10%

City Secretary Office

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 190,016	\$ 190,016	\$ 27,627	\$ 162,390	15%
Services / Supplies	149,939	149,939	4,720	145,219	3%
Capital	-	-	-	-	-
	\$ 339,955	\$ 339,955	\$ 32,346	\$ 307,609	10%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 148,938	\$ 148,938	\$ 19,816	\$ 129,122	13%
<i>Employee Benefits</i>	41,078	41,078	7,811	33,267	19%
Total Personnel	\$ 190,016	\$ 190,016	\$ 27,627	\$ 162,390	15%

Services / Supplies

<i>Professional Services</i>	\$ 35,690	\$ 35,690	\$ 2,304	\$ 33,386	6%
<i>Employee Development</i> <i>(City Council related \$45,724)</i>	59,694	59,694	1,891	57,803	3%
<i>Supplies / Equipment</i>	15,855	15,855	524	15,331	3%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	38,700	38,700	-	38,700	0%
Total Services / Supplies	\$ 149,939	\$ 149,939	\$ 4,720	\$ 145,219	3%

Capital

<i>Equipment / Vehicles</i>	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%

Total City Secretary Office	\$ 339,955	\$ 339,955	\$ 32,346	\$ 307,609	10%
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Information Services

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 634,555	\$ 634,555	\$ 89,957	\$ 544,598	14%
Services / Supplies	414,348	414,348	48,262	366,086	12%
Capital	-	-	110,555	(110,555)	0%
	\$ 1,048,903	\$ 1,048,903	\$ 248,774	\$ 800,128	24%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 475,054	\$ 475,054	\$ 65,252	\$ 409,802	14%
<i>Employee Benefits</i>	159,500	159,500	24,705	134,795	15%
Total Personnel	\$ 634,555	\$ 634,555	\$ 89,957	\$ 544,598	14%
Services / Supplies					
<i>Professional Services</i>	\$ 202,711	\$ 202,711	\$ 30,651	\$ 172,060	15%
<i>Employee Development</i>	28,805	28,805	102	28,703	0%
<i>Supplies / Equipment</i>	2,800	2,800	243	2,557	9%
<i>Utilities</i>	72,032	72,032	2,987	69,045	4%
<i>Other (Data Processing)</i>	108,000	108,000	14,278	93,722	13%
Total Services / Supplies	\$ 414,348	\$ 414,348	\$ 48,262	\$ 366,086	12%
Capital					
<i>Equipment / Vehicles</i>	-	-	110,555	(110,555)	0%
Total Capital	\$ -	\$ -	\$ 110,555	\$ (110,555)	0%
Total City Secretary Office	\$ 1,048,903	\$ 1,048,903	\$ 248,774	\$ 800,128	24%

Police Department

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 4,330,030	\$ 4,330,030	\$ 618,976	\$ 3,711,054	14%
Services / Supplies	386,182	386,182	115,952	270,230	30%
Capital	<u>117,000</u>	<u>117,000</u>	<u>64,930</u>	<u>52,070</u>	<u>55%</u>
	\$ 4,833,212	\$ 4,833,212	\$ 799,858	\$ 4,033,354	17%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 3,159,739	\$ 3,159,739	\$ 421,966	\$ 2,737,773	13%
<i>Employee Benefits</i>	<u>1,170,291</u>	<u>1,170,291</u>	<u>197,010</u>	<u>973,281</u>	<u>17%</u>
Total Personnel	\$ 4,330,030	\$ 4,330,030	\$ 618,976	\$ 3,711,054	14%
Services / Supplies					
<i>Professional Services</i>	\$ 138,055	\$ 138,055	\$ 94,105	\$ 43,950	68%
<i>Employee Development</i>	45,104	45,104	7,232	37,872	16%
<i>Supplies / Equipment</i>	137,895	137,895	7,318	130,577	5%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Animal Care - \$52,028)</i>	<u>65,128</u>	<u>65,128</u>	<u>7,297</u>	<u>\$ 57,831</u>	<u>11%</u>
Total Services / Supplies	\$ 386,182	\$ 386,182	\$ 115,952	\$ 270,230	30%
Capital					
<i>Equipment / Vehicles</i>	117,000	117,000	64,930	52,070	55%
Total Capital	\$ 117,000	\$ 117,000	\$ 64,930	\$ 52,070	55%
Total Police Department	\$ 4,833,212	\$ 4,833,212	\$ 799,858	\$ 4,033,354	17%

Fire Department FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

--- Summary ---

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 2,360,077	\$ 2,360,077	\$ 348,275	\$ 2,011,802	15%
Services / Supplies	602,080	602,080	210,182	391,898	35%
Capital	161,100	161,100	25,528	135,572	16%
	\$ 3,123,257	\$ 3,123,257	\$ 583,985	\$ 2,539,271	19%

--- Detail ---

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
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Personnel

Salaries / Wages	\$ 1,658,491	\$ 1,658,491	\$ 222,668	\$ 1,435,823	13%
Employee Benefits	701,585	701,585	125,607	575,978	18%
Total Personnel	\$ 2,360,077	\$ 2,360,077	\$ 348,275	\$ 2,011,802	15%

Services / Supplies

Professional Services	\$ 64,500	\$ 64,500	\$ 9,363	\$ 55,137	15%
Employee Development (Training - \$47,705)	63,305	63,305	15,003	48,302	24%
Supplies / Equipment	152,625	152,625	20,904	131,721	14%
Utilities	1,800	1,800	265	1,535	15%
Other	319,850	319,850	164,648	155,202	51%
Total Services / Supplies	\$ 602,080	\$ 602,080	\$ 210,182	\$ 391,898	35%

Capital

Equipment / Vehicles	161,100	161,100	25,528	135,572	16%
Total Capital	\$ 161,100	\$ 161,100	\$ 25,528	\$ 135,572	16%

Total Fire Department	\$ 3,123,257	\$ 3,123,257	\$ 583,985	\$ 2,539,271	19%
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Community Services

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 426,819	\$ 426,819	\$ 68,725	\$ 358,094	16%
Services / Supplies	22,658	22,658	904	21,754	4%
Capital	-	-	-	-	0%
	\$ 449,477	\$ 449,477	\$ 69,629	\$ 379,848	15%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
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Personnel

<i>Salaries / Wages</i>	\$ 299,040	\$ 299,040	\$ 45,286	\$ 253,754	15%
<i>Employee Benefits</i>	127,779	127,779	23,439	104,340	18%
Total Personnel	\$ 426,819	\$ 426,819	\$ 68,725	\$ 358,094	16%

Services / Supplies

<i>Professional Services</i>	\$ 9,200	\$ 9,200	\$ -	9,200	0%
<i>Employee Development</i>	5,805	5,805	450	5,355	8%
<i>Supplies / Equipment</i>	7,653	7,653	454	7,199	6%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	-	-	-	-	0%
Total Services / Supplies	\$ 22,658	\$ 22,658	\$ 904	\$ 21,754	4%

Capital

<i>Equipment / Vehicles</i>	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%

Total Building Operations	\$ 449,477	\$ 449,477	\$ 69,629	\$ 379,848	15%
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Streets Division

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 663,380	\$ 663,380	\$ 95,303	\$ 568,077	14%
Services / Supplies	705,877	705,877	34,481	671,396	5%
Capital	77,000	77,000	-	77,000	0%
	\$ 1,446,257	\$ 1,446,257	\$ 129,784	\$ 1,316,473	9%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 457,290	\$ 457,290	\$ 57,896	\$ 399,393	13%
<i>Employee Benefits</i>	206,090	206,090	37,407	168,683	18%
Total Personnel	\$ 663,380	\$ 663,380	\$ 95,303	\$ 568,077	14%
Services / Supplies					
<i>Professional Services</i>	\$ 67,521	\$ 67,521	\$ 4,980	\$ 62,541	7%
<i>Employee Development</i>	10,256	10,256	264	9,992	3%
<i>Supplies / Equipment</i>	47,550	47,550	6,299	41,251	13%
<i>Utilities</i>	90,000	90,000	14,350	75,650	16%
<i>Other (Street Maintenance)</i>	490,550	490,550	8,587	481,963	2%
Total Services / Supplies	\$ 705,877	\$ 705,877	\$ 34,481	\$ 671,396	5%
Capital					
<i>Equipment / Vehicles</i>	77,000	77,000	-	77,000	0%
Total Capital	\$ 77,000	\$ 77,000	\$ -	\$ 77,000	0%
Total Streets	\$ 1,446,257	\$ 1,446,257	\$ 129,784	\$ 1,316,473	9%

Maintenance Division

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 327,979	\$ 327,979	\$ 46,943	\$ 281,036	14%
Services / Supplies	539,537	539,537	40,511	499,026	8%
Capital	-	-	-	-	0%
	\$ 867,516	\$ 867,516	\$ 87,454	\$ 780,062	10%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 231,054	\$ 231,054	\$ 29,692	\$ 201,362	13%
<i>Employee Benefits</i>	96,925	96,925	17,250	79,674	18%
Total Personnel	\$ 327,979	\$ 327,979	\$ 46,943	\$ 281,036	14%

Services / Supplies					
<i>Professional Services</i>	\$ 61,530	\$ 61,530	\$ 3,582	\$ 57,948	6%
<i>Employee Development</i>	3,255	3,255	60	3,195	2%
<i>Supplies / Equipment (Fuel & Oils - \$132,917, Repair Parts / Contract Repairs - \$253,000)</i>	389,652	389,652	26,704	362,948	7%
<i>Utilities</i>	85,000	85,000	10,165	74,835	12%
<i>Other</i>	100	100	-	100	0%
Total Services / Supplies	\$ 539,537	\$ 539,537	\$ 40,511	\$ 499,026	8%

Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%

Total Maintenance	\$ 867,516	\$ 867,516	\$ 87,454	\$ 780,062	10%
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Parks Division FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 1,067,478	\$ 1,067,478	\$ 145,687	\$ 921,791	14%
Services / Supplies	486,999	486,999	65,458	421,541	13%
Capital	<u>219,609</u>	<u>219,609</u>	<u>24,021</u>	<u>195,588</u>	<u>11%</u>
	\$ 1,774,086	\$ 1,774,086	\$ 235,166	\$ 1,538,920	13%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 743,483	\$ 743,483	\$ 85,799	\$ 657,683	12%
<i>Employee Benefits</i>	<u>323,995</u>	<u>323,995</u>	<u>59,887</u>	<u>264,108</u>	<u>18%</u>
Total Personnel	\$ 1,067,478	\$ 1,067,478	\$ 145,687	\$ 921,791	14%
Services / Supplies					
<i>Professional Services</i>	\$ 107,616	\$ 107,616	\$ 6,947	\$ 100,669	6%
<i>Employee Development</i>	15,445	15,445	634	14,811	4%
<i>Supplies / Equipment</i>	229,938	229,938	35,279	194,659	15%
<i>Utilities</i>	133,000	133,000	22,599	110,401	17%
<i>Other</i>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>0%</u>
Total Services / Supplies	\$ 486,999	\$ 486,999	\$ 65,458	\$ 421,541	13%
Capital					
<i>Equipment / Vehicles</i>	219,609	219,609	24,021	195,588	11%
Total Capital	219,609	219,609	24,021	195,588	11%
Total Parks	\$ 1,774,086	\$ 1,774,086	\$ 235,166	\$ 1,538,920	13%

Recreation Division FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 210,017	\$ 210,017	\$ 22,814	\$ 187,203	11%
Services / Supplies	243,078	243,078	18,072	225,006	7%
Capital	-	-	-	-	0%
	\$ 453,095	\$ 453,095	\$ 40,886	\$ 412,209	9%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 154,554	\$ 154,554	\$ 16,665	\$ 137,889	11%
<i>Employee Benefits</i>	55,463	55,463	6,149	49,313	11%
Total Personnel	\$ 210,017	\$ 210,017	\$ 22,814	\$ 187,203	11%
Services / Supplies					
<i>Professional Services</i>	\$ -	\$ -	\$ (237)	\$ 237	0%
<i>Employee Development</i>	8,555	8,555	525	8,030	6%
<i>Supplies / Equipment</i>	2,106	2,106	46	2,060	2%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Recreation Programs)</i>	232,417	232,417	17,738	214,679	8%
Total Services / Supplies	\$ 243,078	\$ 243,078	\$ 18,072	\$ 225,006	7%
Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%
Total Recreation	\$ 453,095	\$ 453,095	\$ 40,886	\$ 412,209	9%

Equipment Replacement / Capital Schedule

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
City Manager Office Capital Outlay	-	-	-	-	0%
Finance Capital Outlay	-	-	-	-	0%
Human Resources Capital Outlay	-	-	-	-	0%
City Secretary Capital Outlay	-	-	-	-	0%
Information Services Capital Outlay	-	-	110,555	-	0%
Police Dept Capital Outlay	117,000	117,000	64,930	52,070	55%
Fire Dept Capital Outlay	161,100	161,100	25,528	135,572	16%
Community Services Capital Outlay	-	-	-	-	0%
Streets Dept Capital Outlay	77,000	77,000	-	77,000	0%
Maintenance Capital Outlay	-	-	-	-	0%
City Parks Capital Outlay	219,609	219,609	24,021	195,588	11%
City Recreation Capital Outlay	-	-	-	-	0%
Total Expenditures	\$ 574,709	\$ 574,709	\$ 225,035	\$ 349,674	39%

Utility Fund Revenues

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired	16.7%
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Fees	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Electronic Payment</i>	\$ (100,000)	\$ (100,000)	\$ (21,715)	\$ (78,285)	22%
<i>Charges / Penalties</i>	82,250	82,250	3,775	78,475	5%
Total Fees	\$ (17,750)	\$ (17,750)	\$ (17,940)	\$ 190	101%

Licenses & Permits

<i>Construction Inspection</i>	\$ 10,000	\$ 10,000	\$ 875	\$ 9,125	9%
Total Licenses & Permits	\$ 10,000	\$ 10,000	\$ 875	\$ 9,125	9%

Charges for Services

<i>Water Sales</i>	\$ 5,569,975	\$ 5,569,975	\$ 724,298	\$ 4,845,677	13%
<i>Sewer Sales</i>	4,397,099	4,397,099	569,437	3,827,662	13%
<i>Inspection Fees</i>	3,000	3,000	80	2,920	3%
Total Charges for Service	\$ 9,970,074	\$ 9,970,074	\$ 1,293,816	\$ 8,676,258	13%

Interest

<i>Interest (Operations)</i>	\$ 18,500	\$ 18,500	\$ 5,076	\$ 13,424	27%
<i>Interest (Capital Projects)</i>	20,000	20,000	1,594	18,406	8%
Total Interest	\$ 38,500	\$ 38,500	\$ 6,670	\$ 31,830	17%

Impact Fees

<i>Impact Fees</i>	\$ 265,000	\$ 265,000	\$ 4,996	\$ 260,004	2%
Total Impact Fees	\$ 265,000	\$ 265,000	\$ 4,996	\$ 260,004	2%

Miscellaneous Income

<i>Miscellaneous Income</i>	\$ 5,000	\$ 5,000	\$ 364	\$ 4,636	7%
Total Miscellaneous Income	\$ 5,000	\$ 5,000	\$ 364	\$ 4,636	7%

Total Utility Fund Revenues	\$ 10,270,824	\$ 10,270,824	\$ 1,288,781	\$ 8,982,043	13%
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Utility Division

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

--- Summary - Operations ---

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 1,643,929	\$ 1,643,929	\$ 247,798	\$ 1,396,131	15%
Services / Supplies	5,904,815	5,904,815	870,913	5,033,902	15%
Capital	285,000	285,000	-	285,000	0%
Total Utility Division	\$ 7,833,744	\$ 7,833,744	\$ 1,118,710	\$ 6,715,033	14%

--- Detail - Operations ---

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 1,116,887	\$ 1,116,887	\$ 149,170	\$ 967,717	13%
<i>Employee Benefits</i>	527,042	527,042	98,627	428,414	19%
Total Personnel	\$ 1,643,929	\$ 1,643,929	\$ 247,798	\$ 1,396,131	15%
Services / Supplies					
<i>Professional Services</i>	\$ 208,579	\$ 208,579	\$ 34,624	\$ 173,956	17%
<i>Employee Development</i>	58,216	58,216	10,285	47,931	18%
<i>Supplies / Equipment</i>	71,859	71,859	8,065	63,795	11%
<i>Utilities</i>	404,380	404,380	56,831	347,549	14%
<i>Other (Well Lot Maintenance)</i>	773,650	773,650	28,803	744,847	4%
Sub-Total - Operations Services / Supplies	\$ 1,516,685	\$ 1,516,685	\$ 138,607	\$ 1,378,078	9%
Wholesale Water / Wastewater					
Note: UTRWD billing reflects a one month delay					
<i>UTRWD - Administration Fees</i>	\$ 4,955	\$ 4,955	\$ 4,954	\$ 1	100%
<i>UTRWD - Water Volume Cost</i>	989,010	989,010	173,920	815,090	18%
<i>UTRWD - Water Demand Charges</i>	1,284,600	1,284,600	214,100	1,070,500	17%
<i>UTRWD - Sewer Effluent Volume Rate</i>	548,725	548,725	79,374	469,351	14%
<i>UTRWD - Capital Charge Joint Facilities</i>	1,334,510	1,334,510	222,418	1,112,092	17%
<i>UTRWD - HV Sewer Line to UTRWD</i>	226,330	226,330	37,539	188,791	17%
<i>UTRWD - Wtr Transmission - Opus Develop</i>	-	-	-	-	0%
Sub-Total - Wholesale Water / Wastewater	\$ 4,388,130	\$ 4,388,130	\$ 732,306	\$ 3,655,824	17%
Total Services / Supplies	\$ 5,904,815	\$ 5,904,815	\$ 870,913	\$ 5,033,902	15%
Capital					
<i>Equipment / Vehicles</i>	285,000	285,000	-	285,000	0%
Total Capital	\$ 285,000	\$ 285,000	\$ -	\$ 285,000	0%
Total Utility Division - Operations	\$ 7,833,744	\$ 7,833,744	\$ 1,118,710	\$ 6,715,033	14%

Utility Fund Working Capital FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Water Sales	\$ 5,569,975	\$ 5,569,975	\$ 724,298	\$ 4,845,677	13%
Sewer Sales	4,397,099	4,397,099	569,437	3,827,662	13%
Other Fees / Charges	100,250	100,250	5,094	95,156	5%
Electronic Payment Credit	(100,000)	(100,000)	(21,715)	(78,285)	22%
Interest	18,500	18,500	5,076	13,424	27%
Total Revenues	\$ 9,985,824	\$ 9,985,824	\$ 1,282,191	\$ 8,703,633	13%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Administration	\$346,132	\$346,132	\$ 59,027	\$ 287,105	17%
Operations	2,814,481	2,814,481	327,377	2,487,104	12%
UTRWD	4,388,130	4,388,130	732,306	3,655,824	17%
Debt Service	1,076,878	1,076,878	-	1,076,878	0%
Capital Projects	-	-	-	-	0%
Equipment Replace / Capital	285,000	285,000	-	285,000	0%
Total Expenditures	\$ 8,910,622	\$ 8,910,622	\$ 1,118,710	\$ 7,791,911	13%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Transfers In (Applied Impact Fees)	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	100%
Operating Transfers Out / Utility Capital Projects	(300,000)	(300,000)	-	(300,000)	0%
Operating Transfers Out / General Fund	(470,000)	(470,000)	-	(470,000)	0%
Total Other Sources (Uses)	\$ (620,000)	\$ (620,000)	\$ 150,000	\$ (770,000)	-24%

Fund Balance	Original Budget	Revised Budget	Year to Date
Net Increase/Decrease	455,202	455,202	313,480
Beginning Working Capital			
Operations	1,580,413	1,580,413	1,580,413
Available Impact Fees	853,398	853,398	853,398
Total Available Working Capital	\$ 2,433,811	\$ 2,433,811	\$ 2,433,811
Ending Working Capital			
Operations	2,035,615	2,035,615	1,893,893
Designated Capital Project	-	-	-
Available Impact Fees	968,398	968,398	708,394
Total Available Working Capital	\$ 3,004,013	\$ 3,004,013	\$ 2,602,287

<u>Impact Fees</u>			
Beginning Balance	853,398	853,398	853,398
+ Collections	265,000	265,000	4,996
- Applied to offset Debt Service	(150,000)	(150,000)	(150,000)
Ending Balance	968,398	968,398	708,394

*The working Capital Analysis is prepared to provide a picture of the "cash position" of this enterprise fund. Income restricted for specific use and non-operating expenses are excluded. Impact fees are excluded from revenues, however included for working capital balances - as they are available to address contingency expenditures.

Corps Leased Parks Fund

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Park Entry Fees</i>	\$ 355,650	\$ 355,650	\$ 44,138	\$ 311,512	12%
<i>Annual Park Passes</i>	25,000	25,000	545	24,455	2%
<i>Concession Sales</i>	-	-	-	-	0%
<i>Interest</i>	800	800	43	757	5%
<i>I-35 Mitigation</i>	50,000	50,000	-	50,000	0%
Total Revenues	\$ 431,450	\$ 431,450	\$ 44,726	\$ 386,724	10%

I-35 Mitigation Revenue is recognized as it is used and / or to replace lost revenue.
Initial total - \$641,834 (Est balance as of 9/30/2017 \$116,665)

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ 204,197	\$ 204,197	\$ 25,405	\$ 178,792	12%
<i>Services / Supplies</i>	129,171	129,171	27,312	101,859	21%
<i>Capital</i>	280,300	280,300	36,960	243,340	13%
Total Expenditures	\$ 613,667	\$ 613,667	\$ 89,676	\$ 523,991	15%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Operating Transfers In / General Fund</i>	-	-	-	-	0%
Total Other Sources (Uses)	\$ -	\$ -	\$ -	\$ -	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 212,152	\$ 212,152	\$ 212,152
<i>+ Net Increase (Decrease)</i>	(182,217)	(182,217)	(44,951)
Ending Fund Balance	\$ 29,935	\$ 29,935	\$ 167,201

Debt Service Fund

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Revenues</i>	\$1,525,882	\$ 1,525,882	\$ 85,529	\$ 1,440,353	6%
<i>Interest Income</i>	1,400	1,400	294	1,106	21%
<i>Total Revenues</i>	\$ 1,527,282	\$ 1,527,282	\$ 85,824	\$ 1,441,458	6%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Principal Payments</i>	\$ 1,865,000	\$ 1,865,000	\$ -	\$ 1,865,000	0%
<i>Interest Payments</i>	521,568	521,568	-	521,568	0%
<i>Paying Agent Fees</i>	4,000	4,000	-	4,000	0%
<i>Total Expenditures</i>	\$ 2,390,568	\$ 2,390,568	\$ -	\$ 2,390,568	0%

Other Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Transfers In (Out) [To 4B]</i>	870,685	870,685	-	\$ 870,685	0%
<i>Proceeds from Refunding Debt</i>	-	-	-	-	0%
<i>Debt Issuance Cost</i>	-	-	-	-	0%
<i>Payment to Escrow Agent</i>	-	-	-	-	0%
<i>Total Financing Sources</i>	\$ 870,685	\$ 870,685	\$ -	\$ 870,685	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 149,942	\$ 149,942	\$ 149,942
<i>+ Net Increase (Decrease)</i>	7,399	7,399	85,824
<i>Ending Fund Balance</i>	\$ 157,341	\$ 157,341	\$ 235,766

Capital Projects Fund

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Grants	\$ -	\$ -	\$ -	\$ -	0%
Contributions	-	-	-	-	0%
Interest Income	25,000	25,000	81	24,919	0%
Total Revenues	\$ 25,000	\$ 25,000	\$ 81	\$ 24,919	100%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
2018 Proposed Bond (Parks/Streets/Drainage)	6,982,931	6,982,931	-	6,982,931	0%
Total Expenditures	\$ 6,982,931	\$ 6,982,931	\$ -	\$ 6,982,931	100%

Other Financing Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
Bond Issue Proceeds	\$ 6,982,931	\$ 6,982,931	\$ -	\$ 6,982,931.00	0%
Bond Discount / Premium	-	-	-	-	0%
Debt Issuance	-	-	-	-	0%
Transfers In	-	-	-	-	0%
Transfer Out	-	-	-	-	0%
Total Financing Sources	\$ 6,982,931	\$ 6,982,931	\$ -	\$ 6,982,931	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning fund balance	\$ -	\$ -	\$ -
+Net Increase (Decrease)	25,000	25,000	81
Ending Fund Balance	\$ 25,000	\$ 25,000	\$ 81

Drainage Utilities

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Drainage Conversion Fee</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Drainage Fee Receipts</i>	490,000	490,000	64,742	425,258	13%
<i>Miscellaneous</i>	-	-	-	-	0%
<i>Interest</i>	75	75	422	(347)	563%
Total Revenues	\$ 490,075	\$ 490,075	\$ 65,165	\$ 424,910	13%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ 359,292	\$ 359,292	\$ 54,407	\$ 304,885	15%
<i>Services / Supplies</i>	154,470	154,470	11,452	143,018	7%
<i>Capital</i>	24,700	24,700	-	24,700	0%
Total Expenditures	\$ 538,462	\$ 538,462	\$ 65,859	\$ 472,603	12%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Transfers In - City Impervious / General Fund</i>	\$ 16,000	\$ 16,000	\$ -	\$ 16,000	0%
<i>Operating TransfersOut / General Fund</i>	(16,000)	(16,000)	-	(16,000)	0%
Total Other Sources (Uses)	\$ -	\$ -	\$ -	\$ -	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 257,624	\$ 257,624	\$ 257,624
<i>+ Net Increase (Decrease)</i>	(48,387)	(48,387)	(694)
Ending Fund Balance	\$ 209,238	\$ 209,238	\$ 256,930

Public Safety Special Revenue Fund

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	\$ 25,600	\$ 25,600	\$ 46,852	\$ (21,252)	183%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ -	\$ -	\$ -	\$ -	0%
Services / Supplies	3,600	3,600	7,940	(4,340)	221%
Capital	-	-	-	-	0%
Total Expenditures	\$ 3,600	\$ 3,600	\$ 7,940	\$ (4,340)	0%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	0%
Operating Transfers Out	(22,000)	(22,000)	-	(22,000)	0%
Total Other Sources (Uses)	\$ (22,000)	\$ (22,000)	\$ -	\$ (22,000)	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	\$ 26,892	\$ 26,892	\$ 26,892
+ Net Increase (Decrease)	-	-	38,912
Ending Fund Balance	\$ 26,892	\$ 26,892	\$ 65,804

Municipal Court Technology Fee Fund

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	\$ 3,500	\$ 3,500	\$ 604	2,896	17%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Services / Supplies	\$ 5,500	\$ 5,500	\$ 4,968	\$ 532	90%
Total Expenditures	\$ 5,500	\$ 5,500	\$ 4,968	\$ 532	90%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	0%
Operating Transfers Out	-	-	-	-	0%
Total Other Sources (Uses)	\$ -	\$ -	\$ -	\$ -	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	\$ 34,449	\$ 34,449	\$ 34,449
+ Net Increase (Decrease)	(2,000)	(2,000)	(4,364)
Ending Fund Balance	\$ 32,449	\$ 32,449	\$ 30,085

Municipal Court Building Security Fund

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues (Court Fines)	\$ 2,700	\$ 2,700	\$ 453	\$ 2,247	17%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel (Bailiff)	\$ -	\$ -	\$ -	\$ -	0%
Services / Supplies	-	-	-	-	0%
Total Expenditures	\$ -	\$ -	\$ -	\$ -	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	\$ 31,374	\$ 31,374	\$ 31,374
+ Net Increase (Decrease)	2,700	2,700	453
Ending Fund Balance	\$ 34,074	\$ 34,074	\$ 31,827

Highland Village Community Development Corporation
Working Capital Analysis (FY 2018)

	<i>Actual 2015-2016</i>	<i>Projected 2016-2017</i>	<i>Budget 2017-2018</i>	<i>YTD 2017-2018</i>
Beginning Fund Balance	\$ 824,241	\$ 373,514	\$ 235,485	\$ 235,485
Revenues				
4B Sales Tax	1,231,754	1,256,098	1,291,796	-
Park Fees (Rental)	1,263	43,992	57,670	4,362
Linear Park Fees	287	287	574	-
Miscellaneous Income	-	-		-
Interest Income	2,601	600	800	76
Total	\$ 1,235,905	\$ 1,300,977	\$ 1,350,840	\$ 4,438
Expenditures				
Personnel	164,137	200,939	258,465	38,718
Services / Supplies	261,960	181,928	184,676	24,492
Reimburse GF (Support Functions)	28,000	28,000	28,000	-
Reimburse GF (Debt Service)	889,309	890,071	870,685	-
Total Non-Capital Expenditures	\$ 1,343,406	\$ 1,300,938	\$ 1,341,826	\$ 63,209
Capital				
Engineering	-	-	-	-
Projects Funded Directly	-	-	-	-
Transfer to 4B Capital Projects	\$ 300,000	\$ 138,068	\$ -	\$ -
Equipment	43,226	-	40,000	-
Net Increase / (Decrease)	(450,727)	(138,029)	(30,986)	(58,771)
Working Capital Balance	\$ 373,514	\$ 235,485	\$ 204,499	\$ 176,714

Highland Village Community Development Corporation
Capital Projects

	<i>Actual 2015-2016</i>	<i>Actual 2016-2017</i>
Beginning Fund Balance	\$ -	\$ -
Funding		
Debt Issuance	-	-
Bond Discount	-	-
Debt Issuance Cost	-	-
Funding from Operations	300,000	138,068
Capital Projects (HV RR Crossing)	-	-
Denton County	-	-
I-35 Mitigation	-	-
Interest Earnings	-	-
Total Available Project Funding	\$ 300,000	\$ 138,068

[illegible]

Expenditures		
Castlewood Trail		
Engineering - \$131,200	-	-
Project Cost - \$1.312M (Estimated)	-	-
Copperas Trail		
Engineering - \$112,380	-	-
Project Cost - \$1.5M (Estimated)	-	-
HV Rd Trail (Phase IIa - CH to Svc Cntr)		
Engineering - \$25,000	-	-
Project Cost - \$250,982 (Estimated)	-	-
HV Rd Trail (Phase IIb - Lions Club Park to Doubletree Ranch Park)		
Engineering (Mostly included in Copperas Trail Eng.) - \$25,714 (Remain)	-	-
Project Cost - \$250,000 (Estimated)	-	-
FM 2499 Sidewalk		
Engineering - \$12,500	-	-
Project Cost - \$117,678 (Estimated)	-	-
Pedestrian Crosswalk Enhancement		
Engineering	-	-
Project Cost - \$26,000/Crossing	-	-
Marauder Park Lake Access		
Engineering - \$31,000 (Estimated)	-	-
Project Cost - \$58,178 (Estimated)	-	-
HV Rd RR Crossing		
Engineering - \$7,200 (Estimated)	-	-
Project Cost - \$48,000 (Estimated)	-	-
Lakeside Community Park (707 HV Rd Trailhead)		
Engineering - \$40,000	-	-
Project Cost - \$420,000	-	-
Misc. Small, Fill-In/Connector Sections		
Project Cost - \$20,000 (Per Year)	1,875	5,400
Doubletree Ranch Park		
Engineering - \$779,300	-	-
Project Cost - \$8,500,000 (Estimated)	1,444,637	511,000

[illegible]

Total Capital Projects	\$ 1,446,512	\$ 516,400
Remaining Project Funding	\$ 378,333	\$ -

\$ -	\$ -
\$ -	\$ -

PEG Fee Fund

FY 2017/2018 Budget

YEAR TO DATE NOVEMBER

Percent of Budget Year Transpired

16.7%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>PEG Fee Receipts</i>	\$ 52,000	\$ 52,000	\$ -	\$ 52,000	0%
<i>Total Revenues</i>	\$ 52,000	\$ 52,000	\$ -	\$ 52,000	0%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Services / Supplies</i>	3,000	3,000	1,375	1,625	46%
<i>Capital</i>	-	-	-	-	0%
<i>Total Expenditures</i>	\$ 3,000	\$ 3,000	\$ 1,375	\$ 1,625	46%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Operating Transfers In</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Operating Transfers Out</i>	-	-	-	-	0%
<i>Total Other Sources (Uses)</i>	\$ -	\$ -	\$ -	\$ -	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning fund balance</i>	\$ 68,592	\$ 68,592	\$ 68,592
<i>+Net Increase (Decrease)</i>	49,000	49,000	(1,375)
<i>Ending Fund Balance</i>	\$ 117,592	\$ 117,592	\$ 67,217

CITY OF HIGHLAND VILLAGE

COUNCIL BRIEFING

AGENDA# 17

MEETING DATE: 01/23/18

SUBJECT: Discussion and Consideration of all matters incident and related to the Issuance and Sale of “City of Highland Village, Texas, General Obligation Bonds, Series 2018”, including the adoption of Ordinance 2018-1240 Authorizing the Issuance of such Bonds

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

In the Capital Improvement Program budget submitted to Council in June, several capital projects were identified for a bond election referendum of Highland Village residents for consideration of issuance of municipal bonds. In November, two propositions, Street projects totaling \$2.86M and Parks projects totaling \$4.29M were approved by Highland Village voters. Also articulated in the FY 2018 Budget Process was debt issuance for utility capital projects in the amount of \$2.85M, to be accomplished with a certificate of obligation to be issued in conjunction with the voter-approved general obligation bond.

IDENTIFIED NEED/S:

With voter authorization obtained, Council to approve associated bond issuance. Following are the identified projects with projected expenditures associated with each proposition.

- Parks projects \$4.29M (Including issuance costs)

Total Construction Proposed Parks Bond Proposition		
Unity Park Improvements		\$ 2,546,931
- Softball field / general improvements	\$ 1,021,250	
- Pond improvements	925,431	
- Kids Kastle	600,250	
Brazos Parking lot extension		353,000
Victoria Park Walking Trail re-surface		198,000
HV Rd Trail (City Hall - Sellmeyer)		922,300
Sunset Point Park		<u>162,700</u>
Total Proposed Parks		\$ 4,182,931

- Streets projects \$2.86M (including issuance costs)

<u>Proposed Streets</u>	
Rosedale Street	Springway Drive
Ranier Court	Mockingbird Drive
Catesby Place	Post Oak Drive
Rockland Drive	Pecan
Hickory Ridge Drive	Raintree Drive
Oak Forest Drive	Greensprings Street
Winding Creek Drive	Duvall
Dickinson Drive	Baird Circle
S Clearwater Drive	Donna Circle
Scenic Drive	Savanna Drive
N Clearwater Drive	Arbor Court

OPTIONS & RESULTS:

There is no tax increase associated with this bond issuance. Expiring debt in 2017 provides opportunity to offset a large amount of the new debt service associated with this issue, with the debt rate component of the tax rate only increasing slightly.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

There is no impact on the current year budget. Debt service commencing in FY 2019 will be accommodated within the current tax rate.

RECOMMENDATION:

Council to approve Ordinance 2018-1240 (Only one read of the ordinance is required for bond issuance).

ORDINANCE NO. 2018-1240

AN ORDINANCE authorizing the issuance of "City of Highland Village, Texas, General Obligation Bonds, Series 2018," specifying the terms and features of said bonds; levying a continuing direct annual ad valorem tax for the payment of said bonds; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement, and the approval and distribution of a Preliminary Official Statement and an Official Statement pertaining thereto; and providing an effective date.

WHEREAS, the City Council of the City of Highland Village, Texas (the "City") finds and determines that \$_____ in principal amount of general obligation bonds approved and authorized to be issued at an election held on November 7, 2017 should be issued and sold at this time pursuant to Texas Government Code, Chapter 1331, as amended; a summary of the general obligation bonds authorized at said election, the principal amounts authorized, amounts heretofore issued and being issued pursuant to this ordinance and amounts remaining to be issued subsequent hereto being as follows:

Purpose	Date Approved	Principal Amount Approved (\$)	Amounts Heretofore Issued (\$)	Amounts Being Issued (\$)	Premium Applied (\$)	Amounts Remaining (\$)
Streets and Drainage	11/07/2017	2,860,000	0	2,800,000	* ____,000	
Park and Recreation	11/07/2017	<u>4,290,000</u>	<u>0</u>	<u>4,200,000</u>	<u>** ____,000</u>	<u>0</u>
		<u>7,150,000</u>	<u>0</u>	<u>7,000,000</u>	<u> </u>	<u>0</u>

* Original issue premium in the amount of \$_____ which the City has allocated to and applied against the streets and drainage voted authorization referenced in the above table results in a total amount of \$_____ allocated to and applied against the streets and drainage voted authorization.

** Original issue premium in the amount of \$_____ which the City has allocated to and applied against the park and recreation voted authorization referenced in the above table results in a total amount of \$_____ allocated to and applied against the park and recreation voted authorization.

AND WHEREAS, the City Council hereby reserves and retains the right to issue the balance of unissued bonds approved at said election in one or more installments when, in the judgment of the City Council, funds are needed to accomplish the purposes for which such bonds were voted, and now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE:

Section 1: Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title "CITY OF HIGHLAND VILLAGE, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2018" (hereinafter referred to as the "Bonds"), for the purpose of providing funds for (1) permanent public improvements and public purposes, to wit: (i) acquiring, constructing, designing, improving, expanding and maintaining streets, thoroughfares, bridges, alleyways, pathways, screening walls and sidewalks within the City, including related storm drainage improvements, signage, streetscaping, beautification,

median improvements and entryway improvements and (ii) constructing, improving, renovating, and equipping City park and recreation facilities; and (2) to pay the costs of issuance, all in accordance with authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Government Code., Chapter 1331, as amended.

Section 2: Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated January 15, 2018 (the "Issue Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on February 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$ _____,000	_____ %
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

Bonds shall bear interest on the unpaid principal amounts from the date of the initial delivery of the Bonds at the rate(s) per annum shown above in this Section (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 in each year until maturity or prior redemption, commencing February 15, 2019.

Section 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the Security Register (defined below) for the Bonds maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and

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

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

In the event of a non-payment of interest on one or more maturities on a scheduled payment date on the Bonds, and for thirty (30) days thereafter, a new record date for such interest payment for such maturity or maturities (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of the Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after February 15, 2029, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2028 or on any date thereafter at the redemption price of par, together with accrued interest to the redemption date.

At least forty-five (45) days prior to a redemption date (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Bonds, the principal amount of each Stated Maturity to be redeemed and the date set for the redemption thereof.

(b) Mandatory Redemption. The Bonds having Stated Maturities of February 15, 20__, February 15, 20__ and February 15, 20__ (the "Term Bonds") shall be subject to mandatory redemption in part prior to maturity at the redemption price of par and accrued interest to the date of redemption on the respective dates and in principal amounts as follows:

Term Bonds due February 15, 20__		Term Bonds due February 15, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
February 15, 20__	\$ ____,000	February 15, 20__	\$ ____,000
February 15, 20__	\$ ____,000 (maturity)	February 15, 20__	\$ ____,000 (maturity)
Term Bonds due February 15, 20__		Term Bonds due February 15, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
February 15, 20__	\$ ____,000	February 15, 20__	\$ ____,000
February 15, 20__	\$ ____,000 (maturity)	February 15, 20__	\$ ____,000 (maturity)

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds within the applicable Stated Maturity to be redeemed on the next following February 15 from moneys set aside for that purpose in the Interest and Sinking Fund (as hereinafter defined). Any Term Bond not selected for prior redemption shall be paid on the date of their Stated Maturity.

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

(c) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal amount by \$5,000 and shall select the Bonds to be redeemed within such Stated Maturity, by lot.

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

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

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

Section 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment and transfer or exchange of the Bonds shall at all times be kept and maintained by the City at the Designated Payment/Transfer Office of the Paying Agent/Registrar and at a place within the State of Texas, as provided herein and in accordance with the provisions of an agreement with the Paying Agent/Registrar and such rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Paying Agent/Registrar shall obtain, record and maintain in the Security Register the name and address of each Holder of the Bonds issued under and pursuant to the provisions of this Ordinance. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of like kind, of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond (other than the Initial Bonds authorized in Section 8 hereof) at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds, executed on behalf of, and furnished by, the City, of authorized denominations and of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bonds authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of, and furnished by, the City, to the Holder requesting the exchange.

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

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

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds", evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

Section 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained herein relating to the payment, redemption and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum as amended, the Blanket Issuer Letter of Representations, by and between the City and DTC, and the Letter of Representation from the Paying Agent/Registrar to DTC (collectively, the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC, who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book entry clearance and settlement of securities transactions in general, or the City decides to discontinue use of the system of book-entry transfers through DTC, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar, and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

Section 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers and the seal of the City on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Issue Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals, or either of them, shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9C, manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9D, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

Section 8: Initial Bonds. The Bonds herein authorized shall be initially issued as a single fully registered bond in the aggregate principal amount shown in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1. The initial bond (hereinafter called the "Initial Bond") shall be registered in the name of the initial purchaser(s), or the designee thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

Section 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance and may have such letters, numbers or other marks of identification

(including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

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

The City may provide (i) for the issuance of one (1) fully registered Bond for each Stated Maturity in the aggregate principal amount of each Stated Maturity and (ii) for the registration of such Bonds in the name of a securities depository, or the nominee thereof. While any Bond is registered in the name of a securities depository or its nominee, references herein and in the Bonds to the Holder or registered owner of such Bonds shall mean the securities depository or its nominee and shall not mean any other person.

(b) Form of Definitive Bond.

REGISTERED
NO. R-_____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF HIGHLAND VILLAGE, TEXAS
GENERAL OBLIGATION BOND
SERIES 2018

Issue Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
January 15, 2018	_____	_____	_____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Highland Village (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof (the "Registered Owner"), on the Stated Maturity date specified above, the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the date of the initial delivery of the Bonds) at the per annum rate of interest specified above computed on the basis of a 360-day year consisting of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, until maturity or prior redemption, commencing February 15, 2019. Principal of this Bond is payable at its Stated Maturity or date of redemption to the Registered Owner hereof, upon

presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the Registered Owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Registered Owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. If the date for the payment of the Bonds shall be a Saturday, Sunday, legal holiday or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the Registered Owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of providing funds for (1) permanent public improvements and public purposes, to wit: (i) acquiring, constructing, designing, improving, expanding and maintaining streets, thoroughfares, bridges, alleyways, pathways, screening walls and sidewalks within the City, including related storm drainage improvements, signage, streetscaping, beautification, median improvements and entryway improvements and (ii) constructing, improving, renovating, and equipping City park and recreation facilities; and (2) to pay the costs of issuance, all in accordance with authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1331, as amended, and pursuant to an ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

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

Term Bonds due February 15, 20__		Term Bonds due February 15, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
February 15, 20__	\$____,000	February 15, 20__	\$____,000
February 15, 20__	\$____,000 (maturity)	February 15, 20__	\$____,000 (maturity)
Term Bonds due February 15, 20__		Term Bonds due February 15, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
February 15, 20__	\$____,000	February 15, 20__	\$____,000
February 15, 20__	\$____,000 (maturity)	February 15, 20__	\$____,000 (maturity)

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

The Bonds maturing on and after February 15, 2029, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2028 or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

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

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Ordinance.

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

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

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

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

CITY OF HIGHLAND VILLAGE, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

THE STATE OF TEXAS

(
(
(
(

REGISTER NO. _____

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

The office of the Paying Agent/Registrar in East Syracuse, New York, is the Designated Payment/Transfer Office for this Bond.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Dallas, Texas, as Paying
Agent/Registrar

Registered this date:

By _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Print or typewrite name, address and zip code of transferee): _____

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

DATED: _____

Signature guaranteed:

NOTICE: The signature on this
assignment must correspond with the
name of the Registered Owner as it
appears on the face of the within Bond in
every particular.

(f) The Initial Bond shall be in the respective form set forth therefor in paragraph B of this Section, except as follows:

Heading and paragraph one shall be amended to read as follows:

NO. T-1

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF HIGHLAND VILLAGE, TEXAS
GENERAL OBLIGATION BOND
SERIES 2018

Issue Date:
January 15, 2018

Registered Owner: _____

Principal Amount: _____ MILLION _____ THOUSAND DOLLARS

The City of Highland Village, Texas (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above (the "Registered Owner"), or the registered assigns thereof, the Principal Amount hereinabove stated on February 15 in the years and in principal installments in accordance with the following schedule:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
-----------------------------	-----------------------------------	--------------------------

(Information to be inserted from schedule in Section 2 hereof)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the date of the initial delivery of the Bonds) at the per annum rate of interest specified above, computed on the basis of a 360-day year consisting of twelve 30-day months; such interest being payable on February 15 and August 15 in each year until maturity or prior redemption, commencing February 15, 2019. Principal installments of this Bond are payable at the year of maturity or on a prepayment date to the Registered Owner hereof, upon presentation and surrender at the Designated Payment/Transfer Office in East Syracuse, New York of The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent/Registrar"). Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Registered Owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. If the date for the payment of the Bonds shall be a Saturday, Sunday, legal holiday or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

Section 10: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records

relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special City of Highland Village, Texas 2018 Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Manager, Assistant City Manager and City Secretary of the City, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

Section 11: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, destroyed, lost or stolen.

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

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

Section 12: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements and other obligations of the City to the Holders shall thereupon cease, terminate and be discharged and satisfied.

Bonds or any principal amount(s) shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government

Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the Bonds on the Stated Maturities thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section in excess of the amount required for the payment of the Bonds shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

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

Section 13: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding, except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency or formal defect or omission herein. In addition, the City may, with the consent of Holders who own in aggregate 51% of the principal amount of the Bonds then Outstanding, amend, add to or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition or rescission.

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

(1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and

(3) those mutilated, destroyed, lost or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

Section 14: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

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

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

"*Gross Proceeds*" means any proceeds, as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds, as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

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

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

"*Rebate Amount*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

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

"Yield" of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

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

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

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

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

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

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

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

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

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

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

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

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

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

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

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager and Assistant City Manager, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

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

Section 15: Sale of Bonds –Official Statement Approval. Pursuant to a public sale for the Bonds, the bid submitted by _____ (herein referred to as the "Purchasers") is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Bonds to said Purchaser at the price of par plus a cash premium of \$_____ is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Bonds to the Purchasers shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Initial Bond shall be registered as provided in the winning bid.

Furthermore, the Preliminary Official Statement prepared in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement reflecting the terms of the sale (together with changes approved by the Mayor, Mayor Pro Tem or the City Manager, any one or more of said officials), shall be and is hereby approved as to form and content, and the Purchasers are hereby authorized to use and distribute said final Official Statement dated January 23, 2018, in the reoffering, sale and delivery of the Bonds to the public. The Mayor or Mayor Pro Tem and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Purchasers, and such Official Statement in the final form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

Section 16: Control and Custody of Bonds. The Mayor or Mayor Pro Tem of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

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

Section 17: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager and City Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, City Secretary, or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 18: Proceeds of Sale. The proceeds of sale of the Bonds, excluding amounts to pay costs of issuance, shall be deposited in a construction fund maintained at a depository bank of the City to finance the permanent public improvements referenced in Section 1 hereof. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, as amended, including guaranteed investment contracts permitted by Texas Government Code, Section 2256.015 et seq., and the City's investment policies and guidelines and any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the City Council. Surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund. Premium, if any, received from the Purchasers may be deposited to the Interest and Sinking Fund or may be used for any other purpose permitted by Section 1201.042, Texas Government Code, as amended.

Section 19: Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

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

Section 20: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

Section 21: Legal Opinion. The Purchasers' obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion or an executed counterpart thereof shall accompany the global Bonds deposited with DTC, or a reproduction thereof shall be printed on the definitive Bonds in the event the book-entry-only system shall be discontinued.

Section 22: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

Section 23: Continuing Disclosure Undertaking.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning in or after 2018, financial information and operating

data with respect to the City of the general type contained in Tables 1 through 6 and 8 through 15 in the final Official Statement, and (2) within twelve months after the end of each fiscal year, beginning in or after 2018, and if not provided as part of such financial information and operating data, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)(12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers and Amendments.

The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

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

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY,

WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 24: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

Section 25: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 26: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 27: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 28: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

Section 29: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 30: Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

Section 31: Public Meeting. It is officially found, determined and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Government Code, as amended.

Section 32: Effective Date. In accordance with the provisions of Texas Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage and it is accordingly so ordained.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED, this January 23, 2018.

CITY OF HIGHLAND VILLAGE, TEXAS

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM AND LEGALITY:

City Attorney

APPROVED BY BOND COUNSEL:

Norton Rose Fulbright US LLP, Robert D. Dransfield

(City Seal)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 18

MEETING DATE: 01/23/18

SUBJECT: Discussion and Consideration of all matters incident and related to the Issuance and Sale of “City of Highland Village, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2018”, including the adoption of Ordinance 2018-1241 Authorizing the Issuance of such Certificates of Obligation

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

Articulated in the FY 2018 Budget Process was debt issuance for utility capital projects in the amount of \$2.85M, to be accomplished with a certificate of obligation to be issued in conjunction with the voter-approved general obligation bond.

IDENTIFIED NEED/S

The \$2.85M Certificate of Obligation (Utility Fund) primary projects to be addressed in this issue include addition of a water line loop (Chinn Chapel to Castlewood), water and sewer line replacements, as well as Southwood Ground Storage Tank painting

OPTIONS & RESULTS:

- Debt Service associated with the Series 2018 Certificates of Obligation will be supported by water and sewer revenues. There is no additional utility rate increase resulting from this issue.
- “Notice of Intent” disclosures were published as required by State Law.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

No impact on current year budget.

RECOMMENDATION:

Council to approve Ordinance 2018-1241 (Only one read of the ordinance is required for bond issuance).

ORDINANCE NO. 2018-1241

AN ORDINANCE authorizing the issuance of "CITY OF HIGHLAND VILLAGE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018"; providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the net revenues derived from the operation of the City's Water and Sewer System; providing the terms and conditions of such certificates of obligation and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said certificates of obligation, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of a Preliminary Official Statement and an Official Statement pertaining thereto; and providing an effective date.

WHEREAS, notice of the City Council's intention to issue certificates of obligation in the maximum principal amount not to exceed \$2,850,000 for the purpose of paying contractual obligations to be incurred for (i) improving and extending the City's water and sewer system and (ii) professional services rendered in relation to such projects and the financing thereof, has been duly published in the *Denton-Record Chronicle*, a newspaper of general circulation in the City of Highland Village, Texas on December ____, 2017, and on December ____, 2017; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in the aforesaid notice, signed by at least 5% of the qualified voters of the City, has been presented to or filed with the City Secretary on or prior to the date of the passage of this Ordinance; and

WHEREAS, the City Council hereby finds and determines that \$_____ in total principal amount of the certificates of obligation described in such notice should be authorized at this time; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE:

SECTION 1. Authorization, Designation, Principal Amount, Purpose. Certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____, to be designated and bear the title "CITY OF HIGHLAND VILLAGE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018" (hereinafter referred to as the "Certificates"), for the purpose of paying contractual obligations of the City to be incurred for (i) improving and extending the City's water and sewer system and (ii) professional services rendered in relation to such projects and the financing thereof, pursuant to authority conferred by, and in conformity with, the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Date. The Certificates are issuable in fully registered form only; shall be dated January 15, 2018 (the "Certificate Date"); and shall be in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), and the Certificates shall become due and payable on February 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$_____	_____ %
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

The Certificates shall bear interest on the unpaid principal amount thereof from the date of delivery to the initial purchasers at the per annum rates shown above (calculated on the basis of a 360-day year of twelve 30-day months), and interest shall be payable on each February 15 and August 15 commencing February 15, 2019, until maturity or prior redemption.

SECTION 3. Payment of Certificates - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of maturity, redemption or otherwise, shall be payable, only to the registered owners or holders of the Certificates (hereinafter called the "Holders") appearing on the Security Register (defined below) maintained by the Paying Agent/Registrar and the payment thereof shall be without exchange or collection charges to the registered owner thereof, in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the principal office of the Paying Agent/Registrar, books and records for the registration, payment, and transfer of the Certificates (the "Security Register"), all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe; and the Mayor or Mayor Pro Tem and City Secretary are authorized to execute and deliver such Agreement in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice

thereof to be sent to each Holder by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

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

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

(a) Optional Redemption. The Certificates having Stated Maturities on and after February 15, 2029, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2028, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to an optional redemption date for the Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor.

(c) [Mandatory Redemption]. The Certificates having a Stated Maturity of February 15 in 20__ (the "Term Certificates") shall be subject to mandatory redemption in part prior to maturity at the redemption price of par and accrued interest to the date of redemption on the respective dates and in principal amounts as follows:

Term Certificates due February 15, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>
February 15, 20__	\$____,000
February 15, 20__	\$____,000
February 15, 20__	\$____,000
February 15, 20__	\$____,000
February 15, 20__*	\$____,000

* Stated maturity.

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Certificates, the Paying Agent/Registrar shall select by lot the numbers of the Term Certificates within the Stated Maturity to be redeemed on the next following February 15 from moneys set aside for that purpose in the Certificate Fund (as hereinafter defined). Any Term Certificate not selected for prior redemption shall be paid on the date of its Stated Maturity.

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

(d) Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Certificates as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificates by \$5,000 and shall select the Certificates, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

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

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Certificate is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon

shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Certificate (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

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

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

Upon the surrender for transfer of any Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates, executed on behalf of, and furnished by, the City, of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

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

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

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

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Certificates" shall include any Certificate registered and delivered pursuant to Section 24 hereof in lieu of a mutilated, lost, destroyed, or stolen Certificate, which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption of such Certificate; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate called for redemption in part.

SECTION 6. Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in this Ordinance relating to the payment and transfer/exchange of the Certificates, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum, as amended, the Blanket Issuer Letter of Representations, by and between the City and DTC, and the Letter of Representations from the Paying Agent/Registrar to DTC (collectively, the "Depository Agreement") relating to the Certificates.

Pursuant to the Depository Agreement and the rules of DTC the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the "DTC Participants"). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City decides to discontinue use of the system of book-entry transfers through DTC, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and provide for Certificate certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, Certificates in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Section 3, 4, and 5 hereof.

SECTION 7. Execution - Registration. The Certificates shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signatures of said officers and the seal of the City on

the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of said individuals who are or were the proper officers of the City on the Certificate Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or any of them shall cease to hold such offices prior to the delivery of the Certificates to the initial purchaser(s), and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially as set forth in the form of the Initial Certificate provided in Section 9(b), manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially as set forth in the form of the definitive Certificates provided in Section 9(c), manually executed by an authorized officer, employee, or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered, and delivered.

SECTION 8. Initial Certificate. The Certificates herein authorized shall be initially issued as a single fully registered Certificate in the total principal amount as provided in Section 1 hereof with the principal amount to become due and payable as provided in Section 2 hereof and numbered T-1 (hereinafter referred to as the "Initial Certificate") and the Initial Certificate shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Certificate shall be the Certificate submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificate, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturity, principal amounts, and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9. Forms. (a) Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration of the Paying Agent/Registrar, and the form of Assignment to be printed on the Certificates, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on any insured Certificates and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or be determined by the officers executing such Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates shall be printed, lithographed, typewritten, photocopied, engraved, or produced in any other similar manner, all as determined by the officers executing such Certificates as evidenced by their execution thereof, and the Initial Certificate submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

The City may provide (i) for issuance of one fully registered Certificate for each Stated Maturity in the aggregate principal amount of such Stated Maturity and (ii) for registration of such Certificate in the name of a securities depository, or the nominee thereof. While any Certificate is registered in the name of a securities depository or its nominee, references herein and in the Certificates to the Holder or owner of such Certificate shall mean the securities depository or its nominee and shall not mean any other person.

(b) Form of Initial Certificate.

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF HIGHLAND VILLAGE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2018

Certificate Date:
January 15, 2018

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Highland Village (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated, on February 15 in each of the years and in principal installments in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
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(Information to be inserted from Section 2 hereof)

and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the date of delivery to the initial purchasers) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on each February 15 and August 15 commencing February 15, 2019, until maturity or prior redemption. Principal installments of this Certificate are payable in the year of maturity to the Registered Owner hereof, upon its presentation and surrender at the designated offices, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office") of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"). Interest shall be payable to the Registered Owner of this Certificate whose

name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding the interest payment date hereof, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the Registered Owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal offices of the Paying Agent/Registrar are located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions in the city where the principal offices of the Paying Agent/Registrar is located are authorized to be closed, and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is issued in the aggregate principal amount of \$_____ for the purpose of paying contractual obligations of the City to be incurred for (i) improving and extending the City's water and sewer system and (ii) professional services rendered in relation to such projects and the financing thereof, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, particularly Texas Local Government Code, Subchapter C of Chapter 271, as amended, and pursuant to an ordinance adopted by the governing body of the City (hereinafter referred to as the "Ordinance").

[The Certificates maturing on the date hereinafter identified (the "Term Certificates") are subject to mandatory redemption prior to maturity with funds on deposit in the Certificate Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the mandatory redemption date on the respective dates and in principal amounts as follows:

Term Certificates due February 15, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>
February 15, 20__	\$____,000
February 15, 20__	\$____,000
February 15, 20__	\$____,000
February 15, 20__	\$____,000
February 15, 20__*	\$____,000

*stated maturity

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

The Certificates maturing on and after February 15, 2029, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2028, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

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

This Certificate is payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and is additionally payable from and secured by a lien on and limited pledge (not to exceed \$2,500) of the Net Revenues of the City's Water and Sewer System (the "System"), such lien and pledge, however, being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of the Prior Lien Obligations (identified and defined in the Ordinance). In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise and additional certificates equally and ratably secured with the Certificates by a parity lien on and pledge of the Net Revenues.

Reference is hereby made to the Ordinance, a copy of which is on file at the principal offices of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of this Certificate; the properties constituting the System; the Net Revenues pledged to the payment of the principal of and interest on this Certificate; the nature, extent, and manner of enforcement of the pledge; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity of this Certificate, and this Certificate is deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the meanings assigned in the Ordinance.

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

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

It is hereby certified, recited, represented, and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates by the levy of a tax and a limited pledge of and lien on the Net Revenues of the System as aforesated. In case any provision in this Certificate or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected

or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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

CITY OF HIGHLAND VILLAGE, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(CITY SEAL)

REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:) _____

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

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Certificate in every particular.

(c) Form of Definitive Certificates.

REGISTERED
NO. R- _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF HIGHLAND VILLAGE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2018

Certificate Date:
January 15, 2018

Interest Rate:

Stated Maturity
February 15, 20__

CUSIP NO:

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Highland Village (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount stated above and to pay interest on the unpaid Principal Amount stated above from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the date of delivery to the initial purchasers) at the per annum rate of interest specified above computed on the basis of a

360-day year of twelve 30-day months; such interest being payable on each February 15 and August 15 commencing February 15, 2019, until maturity or prior redemption. Principal of this Certificate shall be payable at its Stated Maturity to the Registered Owner hereof upon presentation and surrender at the designated offices, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office") of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Certificate (or of one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding the interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner, recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal offices of the Paying Agent/Registrar are located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions in the city where the principal offices of the Paying Agent/Registrar is located are authorized to be closed, and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Certificates") for the purpose of paying contractual obligations of the City to be incurred for (i) improving and extending the City's water and sewer system and (ii) professional services rendered in relation to such projects and the financing thereof, pursuant to the authority conferred by and in conformity with the Constitution and laws of the State of Texas, particularly Texas Local Government Code, Subchapter C of Chapter 271, as amended and pursuant to an ordinance adopted by the governing body of the City (hereinafter referred to as the "Ordinance").

[The Certificates maturing on the dates hereinafter identified (the "Term Certificates") are subject to mandatory redemption prior to maturity with funds on deposit in the Certificate Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the mandatory redemption date on the respective dates and in principal amounts as follows:

Term Certificates due February 15, 20____	
<u>Redemption Date</u>	<u>Principal Amount</u>
February 15, 20____	\$____,000
February 15, 20____	\$____,000
February 15, 20____	\$____,000
February 15, 20____	\$____,000
February 15, 20____*	\$____,000

*stated maturity

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

The Certificates maturing on and after February 15, 2029, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2028, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

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

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and are additionally payable from and secured by a lien on and limited pledge (not to exceed \$2,500) of the Net Revenues of the City's Water and Sewer System (the "System"), such lien and pledge, however, being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of the Prior Lien Obligations (identified and defined in the Ordinance). In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise and additional certificates equally and ratably secured with the Certificates by a parity lien on and pledge of the Net Revenues.

Reference is hereby made to the Ordinance, a copy of which is on file at the principal offices of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificates; the properties constituting the System; the Net Revenues pledged to the payment of the principal of and interest on the Certificates; the nature, extent, and manner of enforcement of the pledge; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the meanings assigned in the Ordinance.

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

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

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

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

CITY OF HIGHLAND VILLAGE, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(CITY SEAL)

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

The designated offices of the Paying Agent/Registrar located in East Syracuse, New York, is the "Designated Payment/Transfer Office" for this Certificate.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas,
Paying Agent/Registrar

By: _____
Authorized Signature

Registered this date:

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:) _____

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

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Certificate in every particular.

SECTION 10. Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues therefor, the following words or terms, whenever the same appear herein without qualifying language, are defined to mean as follows:

(a) The term "Additional Certificates" shall mean combination tax and revenue certificates of obligation hereafter issued under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended, or any similar law hereafter enacted, and payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Net Revenues on a parity with and of equal rank and dignity with the lien and pledge securing the payment of the Certificates.

(b) The term "Certificate Fund" shall mean the special Fund created and established under the provisions of Section 11 of this Ordinance.

(c) The term "Certificates" shall mean the "City of Highland Village, Texas Combination Tax and Revenue Certificates of Obligation, Series 2018" authorized by this Ordinance.

(d) The term "Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(e) The term "Fiscal Year" shall mean the annual financial accounting period used with respect to the System now ending on September 30th of each year; provided, however, the City Council may change, by ordinance duly passed, such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes and to be consistent with the ordinances authorizing the Prior Lien Obligations.

(f) The term "Maintenance and Operating Expenses" shall mean all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations 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 obligations payable from Net Revenues shall be deducted in determining "Net Revenues". Depreciation charges shall not be considered Maintenance and Operating Expenses. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage or other materials, goods, services, or facilities for the System to the extent authorized by law and the provisions of such contract.

(g) The term "Net Revenues" shall mean, with respect to any period, all income, revenues, and receipts received from the operation and ownership of the System less Maintenance and Operation expenses of the System during such period.

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

(i) those certificates theretofore canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(ii) those certificates for which payment has been duly provided by the City in accordance with the provisions of Section 26 hereof by the irrevocable deposit with the Paying Agent/Registrar, or an authorized escrow agent, of money or Government Securities, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity; and

(iii) those certificates that have been mutilated, destroyed, lost, or stolen and for which (i) replacement Certificates have been registered and delivered in lieu thereof or (ii) have been paid, all as provided in Section 24 hereof.

(i) The term "Prior Lien Obligations" shall mean all bonds or other obligations now outstanding and hereafter issued that are payable from and secured by a lien on and pledge of all or any part of the Net Revenues of the System, including but not limited to (i) all bonds hereafter issued to refund any part of the aforesaid bonds or other obligations listed in this definition if the same are made payable from and secured by a lien on and pledge of the Net Revenues of the System and (ii) any obligations hereafter issued on a parity (insofar as the revenues of the System are concerned) with such Prior Lien Obligations or refunding bonds issued to refund such obligations if the same are made payable from and secured by a lien on and pledge of the Net Revenues of the System.

(j) The term "System" shall mean the City's combined Water and Sewer System, including all present and future additions, extensions, replacements, and improvements thereto.

SECTION 11. Certificate Fund. The City covenants that for the purpose of paying the interest on and providing a sinking fund for the payment and retirement of the Certificates, there shall be and is hereby created a special Fund to be designated "Special 2018 Combination Tax and Revenue Certificate of Obligation Fund" (hereinafter, the "Certificate Fund") which Certificate Fund shall be kept and maintained at the City's depository bank, and moneys deposited in the Certificate Fund shall be used for no other purpose. Authorized officials of the City are hereby authorized and directed to make withdrawals from said Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund (on or prior to a principal and/or interest payment date) an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the "Public Funds Investment Act" (Texas Government Code, Chapter 2256, as amended) relating to the investment of "bond proceeds"; provided that all such investments shall be made in such a manner that the money required to be expended from said Fund will be available at the proper time or times. All interest and income derived from deposits and investments in the Certificate Fund shall be credited to, and any losses debited to, the said Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates

SECTION 12. Tax Levy. To provide for the payment of the "Debt Service Requirements" on the Certificates being (i) the interest on said Certificates and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied, within the limitations prescribed by law, for the current year and each succeeding year thereafter while said Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars' valuation of taxable property in said City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

(i) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Net Revenues appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(ii) The amount of Net Revenues and any other lawfully available revenues which are appropriated and to be set aside for the payment of the Debt Service

Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(iii) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 13. Limited Pledge of Net Revenues. The City hereby covenants and agrees that subject to the prior lien on and pledge of the Net Revenues to the payment and security of the Prior Lien Obligations, the Net Revenues of the System (within the limitation of a total amount of \$2,500) 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 until such time as the City shall pay all of such \$2,500, after which time the pledge shall cease, all in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

Texas Government Code, Section 1208, as amended, applies to the issuance of the Certificates and the pledge of the Net Revenues of the System granted by the City under this Section, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are Outstanding such that the pledge of the Net Revenues of the System granted by the City under this Section is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the Holders of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 14. System Fund. The City hereby covenants and agrees that all revenues derived from the operation and ownership of the System shall be kept separate and apart from all other funds, accounts, and moneys of the City, and shall be deposited as collected into the "Water and Sewer System Fund" (heretofore created in conjunction with the issuance of the outstanding Prior Lien Obligations and hereinafter called the "System Fund"). All moneys deposited in the System Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of the reasonable and proper Maintenance and Operation Expenses of the System as defined herein or required by statute to be a first charge on and claim against the revenues of the System.

Second: To the payment of all amounts required to be deposited in any special funds created and established for the payment, security, and benefit of any Prior Lien Obligations in accordance with the terms and provisions of any ordinance authorizing the issuance of any Prior Lien Obligations.

Third: To the payment of the amounts required to be deposited in the special funds and accounts created and established for the payment of the Certificates (the Certificate Fund) and Additional Certificates and the amounts required to be deposited into the funds created for the payment of the "City of Highland Village, Texas Combination Tax and Revenue Certificates of Obligation, Series 2012" (the "2012 Certificates"), the "City of Highland Village, Texas Combination Tax and Revenue Certificates of Obligation, Series 2013" (the "2013 Certificates") and the "City of Highland Village, Texas Combination Tax and Revenue Certificates of Obligation, Series 2014" (the "2014 Certificates").

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 15. Deposits to Certificate Fund. The City hereby covenants and agrees to cause to be deposited in the Certificate Fund the amount required to fully pay the interest and principal then due and payable on the Certificates, such deposits to pay maturing principal and accrued interest on the Certificates to be made on or before the 15th day of each February and August, beginning February 15, 2019.

The deposits to be made to the Certificate Fund, as hereinabove provided, shall be made until such time as such Fund contains an amount equal to pay the principal of and interest and premium, if any, on the Certificates to maturity. Accrued interest, if any, received from the purchaser(s) of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied, collected, and deposited in the Certificate Fund for and on behalf of the Certificates may be taken into consideration and utilized to reduce the amount of the deposits otherwise required to be deposited in the Certificate Fund from the Net Revenues of the System. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes and the Net Revenues.

SECTION 16. Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17. 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 payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, 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 all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 18. Special Covenants. The City hereby covenants as follows:

(i) That it has the lawful power to pledge the Net Revenues supporting this issue of Certificates and has lawfully exercised said powers under the Constitution and laws of the State of Texas, including said power existing under Texas Government Code, Sections 1502.056 and 1502.058, as amended, and Texas Local Government Code, Subchapter C of Chapter 271, as amended.

(ii) That other than for the payment of the outstanding Prior Lien Obligations, if any, the 2012 Certificates, the 2013 Certificates, the 2014 Certificates and the Certificates, the Net Revenues are not in any manner pledged to the payment of any debt or obligation of the City or of the System (any lien on Net Revenues having been granted by the City to the payment of any previously issued certificates of obligation having been extinguished by the due and proper payment, from Net Revenues, of the limited amount of Net Revenues pledged thereto).

(iii) That, as long as any Certificates or any interest thereon remain Outstanding and the pledge of the Net Revenues has not been fully satisfied, the City will not sell, lease, or encumber 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.

(iv) The City recognizes that the purchasers and owners of the Certificates will have accepted them on, and paid therefor a price which reflects, the understanding that interest thereon is excludable from federal income taxation under laws in force at the time the Certificates shall have been delivered. In this connection the City covenants to take no action or fail to take any action, which action or failure to act may render the interest on any of such Certificates subject to federal income taxation, particularly pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), nor shall the City take any action or fail to take any action, which action or failure to act, would have the effect of causing the income derived by the City from the System to become subject to federal income taxation in the hands of the City, whether or not provision shall have been made for the payment of such Certificates.

SECTION 19. Issuance of Prior Lien Obligations and Additional Certificates. The City hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions, or restrictions applicable thereto under law or otherwise, and, also reserves the right to issue Additional Certificates payable from and secured by a lien on and pledge of the Net Revenues of equal rank and dignity, and on a parity in all respects, with the lien thereon and pledge thereof securing the payment of the Certificates.

It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in any ordinance authorizing the issuance any Prior Lien Obligations, and to the extent of any irreconcilable conflict between the provisions contained herein and in any ordinance authorizing the issuance of any Prior Lien Obligations, the provisions, agreements, and covenants contained therein shall prevail to the extent of such conflict and be applicable to this

Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of any Prior Lien Obligations.

SECTION 20. Sale of the Certificates-Approval of Official Statement. Pursuant to a public sale for the Certificates, the bid submitted by _____ (herein referred to collectively as the "Underwriters") is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Certificates to said Underwriters at the price of par plus a cash premium of \$_____, is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Certificates to the Underwriters shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Initial Certificate shall be registered in the name as provided in the winning bid form.

Furthermore, the use of the Preliminary Official Statement prepared in connection with the public offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects. The final Official Statement being a modification and amendment of the Preliminary Official Statement and reflecting the terms of the sale (together with changes approved by the Mayor, Mayor Pro Tem, Assistant City Manager or City Manager, any one or more of said officials), shall be and is hereby approved as to form and content, and the Underwriters are hereby authorized to use and distribute said final Official Statement dated January 23, 2018, in the reoffering, sale and delivery of the Certificates to the public. The Mayor or Mayor Pro Tem and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Underwriters, and such Official Statement in the final form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriters.

SECTION 21. Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, and City Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Certificates. In addition, prior to the initial delivery of the Certificates, the Mayor, Mayor Pro Tem, City Manager, or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Certificates by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 22. Notices to Owners - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the business day next preceding the mailing of such notice.

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

SECTION 23. Cancellation. All Certificates surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be returned to the City.

SECTION 24. Mutilated, Destroyed, Lost, and Stolen Certificates. If (a) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (b) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Certificate, pay such Certificate.

Upon the issuance of any new Certificate under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

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

SECTION 25. Covenants to Maintain Tax-Exempt Status of Interest on the Certificates.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“*Closing Date*” means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

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

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

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

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

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

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

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

“*Yield*” of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

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

from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

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

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

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

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

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

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

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

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

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

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

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

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

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

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager and Assistant City Manager, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

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

SECTION 26. Satisfaction of Obligations of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Net Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

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

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

The term "Government Securities", as used herein, means (i) direct non-callable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) non-callable obligations of an agency or instrumentality of the United States, including obligations unconditionally

guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under the then applicable laws of the State of Texas.

SECTION 27. Ordinance a Contract - Amendments. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders owning a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (a) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (b) give any preference to any Certificate over any other Certificate, or (c) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 28. Control and Custody of Certificates. The Mayor or Mayor Pro Tem of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificate pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Underwriters.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager and the City Secretary of the City, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General, and their registration by the Comptroller of Public Accounts and, together with the City's financial advisor, bond counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the Underwriters and the initial exchange thereof for definitive Certificates.

SECTION 29. Bond Counsel's Opinion. The Underwriters' obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, Dallas, Texas, bond counsel for the City, approving such Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Certificates. A true and correct reproduction of said opinion or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Certificates.

SECTION 30. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 31. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar, and the Holders.

SECTION 32. Inconsistent Provisions. All ordinances, orders, or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 33. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 34. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 35. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 36. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551 of the Texas Government Code, as amended.

SECTION 37. Continuing Disclosure Undertaking.

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

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2 12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning in or after 2018, financial information and operating data with respect to the City of the general type contained in Tables 1 through 6 and 8 through 15 in the final Official Statement, and (2) within twelve months after the end of each fiscal year, beginning in or after 2018, and if not provided as part of such financial information and operating

data, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of holders of the Certificates, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has

assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Certificate calls and defeasance that cause the City to be no longer such an “obligated person.”

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

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or

type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 38. Proceeds of Sale. The proceeds of sale of the Certificates, excluding amounts to pay costs of issuance, shall be deposited in a fund maintained at a depository bank of the City and used to finance the projects described in Section 1. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the City Council. Any investment earnings remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund. Any surplus proceeds of sale may be deposited to the Certificate Fund or to another fund created for the payment of any Certificates.

SECTION 39. Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 40. Effective Date. In accordance with the provisions of Texas Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage on the date shown below.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED, this January 23, 2018.

CITY OF HIGHLAND VILLAGE, TEXAS

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM AND LEGALITY:

City Attorney

APPROVED BY BOND COUNSEL:

Norton Rose Fulbright US LLP, Robert D. Dransfield

(City Seal)

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

CITY OF HIGHLAND VILLAGE

COUNCIL BRIEFING

AGENDA# 19

MEETING DATE: 01/23/18

SUBJECT: Receive Annual Report regarding Compliance with the Highland Village Police Department's Policy prohibiting Racial Profiling, CCP 2.132

PREPARED BY: Douglas Reim, Chief of Police

BACKGROUND:

Effective September 1, 2001, the Texas Legislature enacted Texas Code of Criminal Procedure Articles 2.131 through 2.138, which, among other things, statutorily defined and prohibited racial profiling and set forth provisions for the implementation of policies, education and training programs, and the collection and reporting of certain information regarding racial profiling relating to motor vehicle stops in which a citation is issued and to arrests made as a result of these stops.

IDENTIFIED NEED/S:

This law requires each law enforcement agency in the state to adopt a written policy on racial profiling and prohibit its practice. Each local law enforcement agency is required to submit a report containing the information compiled during the previous calendar year to the governing body of each county or municipality served by the agency in a manner approved by the agency. The report requires the collection of information relating to traffic stops in which a citation is issued and to arrests resulting from those traffic stops, including information relating to:

- The race or ethnicity of the individual detained; and
- Whether a search was conducted and, if so, whether the person detained consented to the search.
- Race or Ethnicity known prior to stop.

This report is required to be presented to the City Council by March 1st of each year.

OPTIONS & RESULTS:

N/A

PROGRESS TO DATE: (if appropriate)

Local policy prohibiting racial profiling is in place. Required data captured electronically via Brazos Technology. Mobile video storage capacity allows for 90 day archival. Annual Racial Profiling training completed. Local report completed.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

None. Mandates accomplished within current budget (training, Brazos reporting software).

RECOMMENDATION:

Staff recommends acceptance of annual Racial Profiling report for the period January 1 – December 31, 2017.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 20

MEETING DATE: 01/23/18

SUBJECT: Discuss Options relating to the Use of Neighborhood Electric Vehicles (NEV), Low Speed Vehicles (LSV) and Golf Carts in Highland Village

**PREPARED BY: Michael Leavitt, City Manager
Douglas Reim, Chief of Police**

COMMENTS

Currently State Law allows Golf Carts to be used in Master Plan Communities. The City Attorney has advised, based on the Attorney General opinion, which cites a footnote in a Texas Supreme Court case where the definition of "Master Planned Community" was discussed in a totally different context, Highland Shores and other "Planned Developments" in Highland Village would be considered a "Master Planned Community" since they have been zoned as a Planned Development. The City's zoning requirements for PD's requires a uniform set of restrictive covenants, the establishment of a HOA and the property has been platted in accordance with City regulations. All other Sub-Divisions in Highland Village that have been developed as straight zoning per our development standards, Golf Carts are prohibited; State Law does not apply. As a result, it will be necessary for the City Council to adopt an ordinance pursuant to Texas Transportation Code sec. 551.403(b) in order to "Prohibit or Allow" the use of golf carts generally within the City.

At the January 9th meeting the Council provided comments and suggestions on the draft ordinance, we have incorporated Council comments and have assembled a second Draft ordinance. We have also incorporated our application/affidavit with the ordinance.

Sec. _____ Definitions

When used in this article, the following words and phrases shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Daytime means the period beginning one-half hour before sunrise and ending one-half hour after sunset.

Driver means the person driving and having physical control over a golf cart, SMV and/or NEV.

Driver's License means an authorization issued by a State for the operation of a motor vehicle.

Golf Cart means a motor vehicle designed by the manufacturer primarily for use on a golf course.

Gross vehicle weight rating or *GVWR* means the value specified by the manufacturer as the loaded weight of a single vehicle.

Neighborhood Electric Vehicle or *NEV* shall have the same meaning as set forth in Texas Transportation Code 551.301.

Owner means the person holding title to the golf cart, NEV or SMV.

Parking Area means those areas accessible to the public by motor vehicular traffic and which are designated for temporary parking of motor vehicles, usually in places referred to as parking lots.

Permit means a certificate/decal of authorization issued to the applicant/owner by the City's Police Department authorizing the operation of the golf cart for which the permit was issued. The decal will display the month and year of expiration.

Permit Holder means the person to whom a golf cart, NEV, or SMV permit has been issued.

Public Safety Personnel means any employee or officer of a governmental law enforcement agency or the Highland Village Fire Department.

Public way or *public property* means real property owned, leased or controlled by a political subdivision of the state, a governmental entity or agency, or similar entity, or any property that is publicly owned or maintained or dedicated to public use, including but not limited to a path, trail, sidewalk, alley, street or highway, and a public park facility.

Public Street means a publicly-owned or dedicated road, street, drive, or other right-of-way for the use of vehicles within the City's corporate boundaries.

Sidewalk means the portion of a street that is between a curb or lateral line of a roadway and the adjacent property line and intended for pedestrian use.

Slow-moving vehicle or *SMV* means a motor vehicle designed to operate at a maximum speed of 25 miles per hour or less, not including an electric personal assistive mobility device, as defined by Texas Transportation. Code Section 551.201.

Slow-Moving-Vehicle-Emblem means a triangular emblem that conforms to standards and specifications adopted by the Director of the Texas Department of Transportation under Section 547.104 of the Texas Transportation Code and is displayed in accordance with Section 547.703 of the Texas Transportation Code.

Texas Transportation Code means the code as it currently exists or may be amended.

Trafficway means any land way open to the public as a matter of right or custom for moving persons or property from one place to another. The traffic way includes all property, both improved and unimproved, between the property lines of a roadway system.

Sec. _____ Golf Carts , NEV's, and SMV's Permitted and Restricted

A person, other than Public Safety Personnel, may operate a golf cart, NEV, or SMV on a public street, parking area and/or trafficway if the person obtains a permit and complies with the following requirements:

- (a) The maximum speed limit on the public street on which the golf cart, NEV, or SMV is operated is thirty (30) miles per hour or less;
- (b) The person has been issued and possesses a valid driver's license;
- (c) The person maintains current financial responsibility for the golf cart, NEV, or SMV as required of other passenger vehicles in Section 601.051 of the Texas Transportation Code;
- (d) The person complies with all applicable federal, state and local laws and ordinances;
- (e) If operating a golf cart or an SMV that is not an NEV, the golf cart or SMV being operated by the person has the following equipment, which must continuously remain in good working and operational order:
 - (1) Two (2) headlamps;
 - (2) Two (2) tail lamps;
 - (3) Turn signals visible from both the front and the rear of the vehicle;
 - (4) Side reflectors (two (2) front, amber in color and two (2) rear, red in color);
 - (5) Parking brake;
 - (6) Rearview mirror(s), capable of a clear, unobstructed view of at least two hundred feet (200') to the rear;
 - (7) Slow-moving vehicle emblem; and
 - (8) Seat belts in sufficient numbers for all occupants; and
 - (9) If an SMV, such other equipment as may be required under applicable provisions of Federal or State law;

- (f) If operating an NEV, the NEV is equipped as required by Texas Transportation Code 551.301;
- (g) The golf cart, NEV, or SMV being operated otherwise complies with all applicable State and Federal Motor Vehicle Safety Standards, as they exist or may be amended;
- (h) The golf cart, NEV, or SMV is being operated on a Trafficway only during the hours of 6:00 a.m. and 9:00 p.m.; and
- (i) While the golf cart, NEV, or SMV is in motion, the driver and every passenger is seated, with a seatbelt dedicated and designed to hold passengers. No person may stand or ride in the lap of the driver and/or another passenger of a golf cart while it is being operated on a Trafficway.

Sec. _____ Additional Operational Regulations for all Golf Carts and NEV's

- (a) Except for Public Safety Personnel, golf carts, NEV's, and SMV's shall not be operated on or within any public park, sidewalk, pedestrian walkway, jogging path, park trail or any location normally used for pedestrian traffic;
- (b) The operator shall move the golf carts, NEV, or SMV to the right and yield the right-of-way to faster-moving vehicles;
- (c) The driver of a golf cart, NEV, SMV shall not overtake and pass in the same lane occupied by the vehicle being overtaken;
- (d) No driver shall operate a golf cart ,NEV, or SMV between lanes of traffic or between adjacent lines or rows of vehicles;
- (e) The driver of a golf cart, NEV, or SMV operating the golf cart, NEV, SMV on a public street may only cross a multi-lane federal, county or state route at an intersection controlled by an official traffic control device which stops traffic from all directions.
- (f) The number of occupants in a golf cart, NEV, or SMV shall be limited to the number of seatbelts installed and provided on the golf cart, NEV, or SMV.
- (g) The driver and all passengers of a golf cart, NEV, or SMV must be wearing a seat belt while the golf cart, NEV, or SMV is in motion.
- (h) Golf carts, NEV's, and SMV's may not be used for the purpose of towing another golf cart, trailer or vehicle of any kind including, without limitation, a person on roller skates, skateboard or bicycle.

Sec. _____ Liability

- (a) Nothing in this Article shall be construed as an assumption of liability by the City for any injuries (including death) to persons, pets or property which may result from the operation of a golf cart, NEV, or SMV by an authorized driver.
- (b) An owner is liable for the intentional or negligent actions of any person to whom the

owner grants permission to operate the owner's golf cart, NEV, or SMV whether such operation occurs on private property and/or any authorized public street, parking area or trafficway, and includes, but is not limited to liability for personal injuries (including death) or property damage resulting from the acts of a person under the age of twenty-one (21) who operates the owner's golf cart, NEV, or SMV whether or not possessing a current and valid driver's license.

Sec. _____ Permit required

(a) No person shall operate, cause to be operated or allow the operation of a golf cart, NEV, SMV on any authorized public street, parking area or trafficway unless a valid permit has been issued by the City for the golf cart, NEV, or SMV unless such operation is otherwise allowed by state law exempting such operation from regulation by the City.

(b) Application for a permit authorizing the operation of a golf cart, NEV, or SMV shall be made by a person who owns, leases or otherwise uses the golf cart, NEV, or SMV for which the permit is sought. Such application shall be made in writing to the City's Police Department on a form designated for that purpose. An application for a permit required by this section shall contain at least following:

(1) The name, address, telephone number and state driver's license number, if applicable, of the owner of the golf cart, NEV, or SMV for which the permit is requested;

(2) The street address where the golf cart, NEV, or SMV is kept, including the particular suite or apartment number, if applicable;

(3) The name of the residents residing at and/or business name used for the premises where the golf cart, NEV, or SMV is kept, if applicable;

(4) The year, make, model, color, vehicle identification number and/or serial number of the golf cart, NEV, of SMV;

(5) Whether the golf cart, NEV, or SMV is powered by an electric or gasoline engine;

(6) A copy of an insurance declaration showing liability insurance has been obtained with respect to the golf cart, NEV, or SMV as required by Sec. ____ (c); and

(7) An affidavit whereby the applicant under oath swears and affirms that the golf cart or NEV for which the permit is sought is fully equipped as required by Sec. _____.

(c) The permit shall be permanently affixed on the left side of the golf cart in such a manner that it is clearly visible from fifty feet (50'). The permit must not be damaged, altered, obstructed or otherwise made illegible. The permit holder shall apply for a replacement permit and pay all applicable cost associated with the issuance and inspection of the golf cart.

(d) The permit shall only be placed upon the golf cart, NEV, or SMV for which it was issued.

(e) A permit issued to a golf cart, NEV, or SMV shall become invalid if the golf cart, NEV, or SMV is altered in a manner that fails to comply with any requirement of this article.

(f) Permits are valid for a period of (2) two years from the date issued.

(g) No permit shall be issued pursuant to this section until the applicant has paid the permit fee established by resolution of the City Council and made a part of the City's Fee Schedule.

(h) Not later than ten (10) days after:

- (1) An owner transfers title to the golf cart, NEV, or SMV to another owner; or
- (2) The address of the normal storage location for the golf cart, NEV, or SMV has changed.

The permit holder shall notify the City in writing of the changes in ownership or storage location submitted on a form designated by the City's Police Department.

(i) Lost or stolen Permits are the responsibility of the Owner. A police report must be filed in the event of a lost or stolen Permit. If no record can be found of a previous application for a permit, or the receipt of a Permit/Sticker, the City's Chief of Police may direct the applicant to reapply, and also resubmit any and all fees necessary before a replacement Permit/Sticker is issued.

(j) Any person who operates a golf cart, NEV, or SMV and fails to receive and properly display a Permit required by and issued in accordance with this section will be subject to all applicable state laws, in addition to being in violation of this Article.

(k) A permit may be revoked at any time by the City's Chief of Police, or his designee, if there is any evidence that the permit holder:

- (1) cannot safely operate, a permitted golf cart, NEV, or SMV, on any authorized public street, parking area and trafficway of the City in compliance with this Article;
- (2) has failed to operate a permitted golf cart, NEV, or SMV, on any authorized public street, parking area and trafficway of the City in compliance with this Article; or
- (3) has authorized a person who has failed to operate a permitted golf cart, NEV, or SMV, on any authorized public street, parking area and trafficway of the City in compliance with this Article.

(l) A person commits an offense when making a false statement in the application for a permit under this section, including, but not limited to, any factual statement regarding the condition of the golf cart or NEV for which a permit is sought and the manner in which such golf cart or NEV is equipped.

Sec. _____. Public Safety Personnel

Public Safety Personnel may operate a golf cart or NEV on any public street, parking area and traffic way without any further restrictions when the golf cart or NEV is used in the performance of his/her duties.

Sec. _____. Exception: Parades

This Article shall not apply to a golf cart, NEV, or SMV that is operated on an approved parade

route and participating in a parade conducted within the City pursuant to which a permit has been issued in accordance with Art. 14.04, Division 6 of this Code of Ordinances.



CITY OF HIGHLAND VILLAGE
1000 HIGHLAND VILLAGE ROAD
HIGHLAND VILLAGE, TEXAS 75077

Date Received
Complete
(For Records Use Only)

GOLF CART / NEV / LSV PERMIT APPLICATION

PERMIT #: _____

EXPIRATION: _____

	Permit Type	Duration	Fee
<input type="checkbox"/>	Golf Cart / NEV / LSV Permit (TX Transportation Code 551.301)	Two (2) Year	No Fee

APPLICANT

Name (Last, First Middle): _____
Drivers License Number: _____ State: _____
Address/City/State/Zip: _____
Location Vehicle Housed (If different from above): _____
Home Phone: (____) _____ Cell Phone: (____) _____
Email: _____
If vehicle owned by commercial entity, specify name: _____

PERMITTED GOLF CART / NEV / LSV INFORMATION

Type: ☐ Golf Cart ☐ Neighborhood Electric Vehicle (NEV) ☐ Low Speed Vehicle (LSV)
Year: _____ Make: _____ Model: _____
Color: _____ VIN or Serial Number: _____
Motor: ☐ Electric ☐ Gasoline

I, the undersigned applicant for a Golf Cart/NEV/LSV permit, swear or affirm that I have received a copy of the City of Highland Village Golf Cart/NEV/LSV Ordinance (Code of Ordinances §§ _____ et. seq.). I understand that the authority to operate the permitted Golf Cart/NEV/LSV on a public street within the City is a revocable privilege granted only upon compliance with City ordinance. I understand failure by any person to operate the permitted Golf Cart/NEV/LSV on a public street in accordance with City ordinance, or operation of a permitted Golf Cart/NEV/LSV on a public street by a person not so authorized, may result in criminal liability including fine for the owner and/or operator of the permitted Golf Cart/NEV/LSV and/or revocation of the permit to operate the permitted Golf Cart/NEV/LSV on public streets within the City.

I understand that as the owner and/or operator of a Golf Cart/NEV/LSV that is permitted to operate on public streets within the City of Highland Village, I have certain duties and obligations that are enumerated within Code of Ordinances §§ _____; specifically, I hereby represent that the permitted Golf Cart/NEV/LSV identified in this application is equipped with the following safety equipment which are fully operational: headlamps, tail lamps, turn signals, side reflectors, parking brake, rearview mirror, seat belts and slow moving vehicle emblem. I understand the permit must be permanently affixed to the left side of the Golf Cart/NEV/LSV in a manner clearly visible from fifty feet (50').

I further swear or affirm that the permitted Golf Cart/NEV/LSV is insured in accordance with Texas State laws governing minimum insurance/financial responsibility laws for motor vehicles. In this application, I do swear or affirm that all the facts and statements contained herein are true and correct, and I understand that any falsification or misrepresentation may be subject to criminal penalties and/or revocation of the Golf Cart/NEV/LSV permit granted in accordance with this application.

Applicants Signature : _____ Date: _____

Sworn to and Subscribed before me by the Applicant this _____ day of _____, 20____.

[Notary Seal]

Notary Public, State of, Texas
My Commission Expires ____/____/____.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 21	MEETING DATE: 01/23/18
SUBJECT:	Status Reports on Current Projects and Discussion on Future Agenda Items
PREPARED BY:	Angela Miller, City Secretary

COMMENTS

This item is on the agenda to allow a Councilmember to inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

- Garden Ridge/I-35 Traffic Signals



UPCOMING EVENTS

Expected Absences: Councilmember McGee (January 23, 2018)

January 23, 2018 **Regular City Council Mtg. 7:30 pm**

February 1, 2018 Zoning Board of Adjustment Mtg. 7:00 pm (if needed)

February 13, 2018 **Regular City Council Mtg. 7:30 pm**

February 15, 2018 Public Art Advisory Board Mtg. 7:00 pm (if needed)

February 19, 2018 Park Board Mtg. 6:00 pm (if needed)

February 20, 2018 Planning & Zoning Commission Mtg. 7:00 pm (if needed)

February 27, 2018 **Regular City Council Mtg. 7:30 pm**

March 1, 2018 Zoning Board of Adjustment Mtg. 7:00 pm (if needed)

March 13, 2018 **Regular City Council Mtg. 7:30 pm**

March 15, 2018 Public Art Advisory Board Mtg. 7:00 pm (if needed)

March 19, 2018 Park Board Mtg. 6:00 pm (if needed)

March 20, 2018 Planning & Zoning Commission Mtg. 7:00 pm (if needed)

March 27, 2018 **Regular City Council Mtg. 7:30 pm**

April 5, 2018 Zoning Board of Adjustment Mtg. 7:00 pm (if needed)

April 10, 2018 **Regular City Council Mtg. 7:30 pm**

April 16, 2018 Park Board Mtg. 6:00 pm (if needed)

April 17, 2018 Planning & Zoning Commission Mtg. 7:00 pm (if needed)

April 19, 2018 Public Art Advisory Board Mtg. 7:00 pm (if needed)

May 3, 2018 Zoning Board of Adjustment Mtg. 7:00 pm (if needed)

May 8, 2018 **Regular City Council Mtg. 7:30 pm**

Please visit www.highlandvillage.org or the City Hall bulletin board for latest additions, updates and changes

By: Karen Bradley, Administrative Assistant - City Secretary Office