

**CITY COUNCIL MEETING
SEPTEMBER 23, 2025
5:30 P.M.
COUNCIL CHAMBERS, 110 NORTH 8TH STREET,
GATESVILLE, TEXAS 76528**

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

- 1) **CALL TO ORDER** THE REGULAR CITY COUNCIL MEETING AT **5:30 P.M.** THIS **23RD DAY OF SEPTEMBER 2025.**
- 2) **QUORUM CHECK/COUNCIL PRESENT:** Mayor Gary Chumley, Mayor Pro-Tem Greg Casey, Councilmembers Kalinda Westbrook, Aaron Smith, John Salter, and Joe Patterson.

CITY STAFF PRESENT: City Manager Brad Hunt, City Secretary Holly Owens, Deputy City Manager/Finance Director Mike Halsema, Shea Harp, Chad Newman, Bobby Buster, Chief Jeff Clark, and Zeb Veazey

OTHERS: Leo Corona, Lauren Momell, and Gatesville Messenger.

- 3) **INVOCATION:** Greg Casey and **PLEDGE OF ALLEGIANCE:** Led by Mayor Gary Chumley.

CITIZENS/PUBLIC COMMENTS FORUM: INDIVIDUALS WISHING TO ADDRESS THE GATESVILLE CITY COUNCIL MAY DO SO DURING THIS SEGMENT. IF YOU INTEND TO COMMENT ON A SPECIFIC AGENDA ITEM, PLEASE INDICATE THE ITEM(S) ON THE SIGN IN SHEET BEFORE THE MEETING. EACH SPEAKER IS ALLOTTED A MAXIMUM OF 3 MINUTES FOR THEIR REMARKS, AND SPEAKERS ARE EXPECTED TO CONDUCT THEMSELVES IN A RESPECTFUL MANNER. IN ACCORDANCE WITH THE TEXAS OPEN MEETINGS ACT, THE CITY OF GATESVILLE CITY COUNCIL CANNOT DELIBERATE OR ACT ON ITEMS NOT LISTED ON THE MEETING AGENDA.

Leo Corona came forward to suggest that City Council have their contact information on the website.

EXECUTIVE SESSION:

- 4) Recess Regular Meeting and Call for an Executive Session – Closed Meeting.

The City Council of the City of Gatesville will convene into a closed Executive Session pursuant to Texas Government Code section 551.074 (Personnel Matters) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, dismissal of a public officer or employee AND section 551.071 (Consultation with Attorney).

Council entered Executive Session at 5:35 PM.

5) End Executive Session and Reconvene the Open Meeting.

Council reconvened the Open Meeting at 6:50 PM.

6) Discussion and possible action regarding authorization for City Manager to sign a Letter of Intent with Coryell Hydro Power on behalf of the City of Gatesville.

EXECUTIVE SESSION (RESOLUTION 2025-073): Motion by Greg Casey, seconded by Kalinda Westbrook to **APPROVE RESOLUTION 2025-073**, authorizing the City Manager to sign a Letter of Intent with Coryell Hydro Power on behalf of the City of Gatesville. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

CONSENT:

- 7) All consent agenda items are considered routine by the City Council and will be enacted by a single motion. There will be no separate discussion of these items unless a Councilmember requests an item to be removed and considered separately.**
- a. Resolution 2025-089: Discussion and possible action regarding approval of minutes from Regular City Council Meeting held on September 9, 2025.**
 - b. Resolution 2025-090: Discussion and possible action regarding approval of minutes from Rate Study Workshop City Council held on September 15, 2025.**
 - c. Resolution 2025-091: Discussion and possible action regarding Authorization for City Manager to sign a Municipal Maintenance Agreement with TxDOT on behalf of the City of Gatesville.**
 - d. Resolution 2025-092: Discussion and possible action to approve the City of Gatesville’s Investment Policy.**
 - e. Resolution 2025-093: Discussion and possible action to approve the July 2025 Financials.**
 - f. Resolution 2025-094: Discussion and possible action regarding adopting a resolution authorizing the participation in Texas CLASS Investment Pool.**

Item 7c, Resolution 2025-091 was removed from Consent with no action taken.

CONSENT AGENDA: Motion by Joe Patterson, seconded by Jon Salter to **APPROVE** the **CONSENT AGENDA** Items 7a, 7b, 7d, 7e, and 7f as written. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

OTHER BUSINESS:

- 8) Discussion and possible action regarding a change order for City Hall glass replacement.

RESOLUTION 2025-095: Motion by Aaron Smith, seconded by Joe Patterson to **APPROVE RESOLUTION 2025-095**, a change order with G2 for city hall glass replacement services \$15,855.73, raising the total contract amount to \$79,810.42. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

- 9) Discussion and possible action regarding purchasing two pickups through Grapevine Dodge Chrysler Jeep.

RESOLUTION 2025-096: Motion by Jon Salter, seconded by Kalinda Westbrook, to **APPROVE** the purchase of two pickups through Grapevine Dodge Chrysler Jeep as set forth in the price quote provided in the agenda packet, utilizing the BuyBoard, for a total purchase price not to exceed \$80,242.00, and further that we approve the finance agreement through Cadence Bank to finance the purchase for five years at an interest rate of 4.84% beginning September 2025. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

- 10) Discussion and possible action to amend the FY 2024-2025 Budget.

ORDINANCE 2025-06: Motion by Kalinda Westbrook, seconded by Joe Patterson to **APPROVE ORDINANCE 2025-06**, amending the FY 2024-2025 Budget, **third and final reading**. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

- 11) Discussion and possible action to amend the Fee Schedule, Chapter 18.

Leo Corona came forward. Mr. Corona would like progress reports on the upgrades due to the water and sewer rate increase as they happen. Mayor Chumley stated Council is updated regularly on major projects through the monthly City Manager Report.

Leo Corona requested more transparent language on the agenda when describing each item.

Joe Patterson asked about the CIP matrix and how it would look in five years. Brad Hunt stated items would move within the matrix and what is red (critical) now will move to green (good) and the items in yellow (poor) would move to red (critical).

ORDINANCE 2025-20: Motion by Aaron Smith, seconded by Jon Salter to **PASS ORDINANCE 2025-20** to consider repealing and replacing Chapter 18. “Fees, Section 18-1 (Fee Schedule) of the Code of Ordinances of the City of Gatesville, **first reading**. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

- 12) Discussion and possible action regarding establishment of No Parking Zones in specified areas on N. Lutterloh Avenue and East Main Street.

Mayor Chumley asked if the business owners on Main Street have been notified. Mr. Hunt stated no.

John Salter asked about east bound on Main Street. Mr. Hunt stated that parking is broken up due to driveways/entrances to parking lots and it does not seem to be an issue as it is with west bound traffic.

Kalinda Westbrook asked about the angle parking on the side streets and if that has alleviated some of the problems. Mr. Hunt stated it has helped but there is still some parking on the west bound side creating an unsafe situation.

Mr. Hunt agreed to notify the business owners and have an education period if Council approves the request.

Mayor Chumley would like to have separate actions on the streets. Council can consider Lutterloh tonight and requested Staff to bring back Main Street at a later date.

RESOLUTION 2025-097: Motion by Joe Patterson, seconded by Aaron Smith to **APPROVE RESOLUTION 2025-097**, designating the northbound shoulder of Lutterloh Avenue between Saunders and Waco Streets as an area where parking is prohibited and **TABLE** the discussion designating the westbound shoulder of East Main Street between 5th and 11th Streets. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

13) Discussion and possible action regarding a substandard case located at 1500 Saint Louis Street.

RESOLUTION 2025-098: Motion by Greg Casey, seconded by Jon Salter to **APPROVE RESOLUTION 2025-098**, directing City Staff to demolish the structure located at 1500 Saint Louis Street and file a lien to recoup all costs. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

14) Consider a resolution to reschedule and cancel Regular Council Meetings in November and December.

RESOLUTION 2025-099: Motion by Joe Patterson, seconded by Aaron Smith to schedule one Regular Meeting in November and December on the following dates: **NOVEMBER 18, 2025** and **DECEMBER 9, 2025**. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

15) Discussion and possible action to repeal Sec. 10-23. Fees for buildings.

ORDINANCE 2025-15: Motion by Kalinda Westbrook, seconded by Greg Casey to **APPROVE ORDINANCE 2025-15**, repealing Sec. 10-23. “Fees for Buildings”, **final reading**. All five voting “Aye”, motion passed, 4-0-1. (Salter abstained) (Rainer absent)

16) Discussion and possible action to amend and repeal portions of Chapter 56 – Utilities.

ORDINANCE 2025-16: Motion by Greg Casey, seconded by Joe Patterson to **APPROVE ORDINANCE 2025-16**, repealing and amending portions of Chapter 56. Utilities, **final reading**. All five voting “Aye”, motion passed, 5-0-0. (Rainer absent)

17) City Manager Report.

Brad Hunt gave a brief update to Council. No action was taken.

18) City Council adjourned at 6:33 p.m.

Mayor, Gary Chumley

ATTEST:

City Secretary, Holly Owens



Date 10/14/2025

Agenda Item 4b

Resolution 2025-101

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Brad Hunt, City Manager

Agenda Item: Discussion and possible action to approve a resolution to deny Oncor Electric Delivery Company LLC's proposed increase in revenue and its proposed changes to rates.

BACKGROUND

On or about June 26, 2025, Oncor Electric Delivery Company LLC ("Oncor" or "Company") filed a Statement of Intent to increase its revenues by approximately \$833.6 million, which equates to a net increase of approximately 13.0% in Oncor's overall revenue. Oncor proposes implementing its proposed increase in rates effective July 31, 2025. For a Residential customer using 1,000 kWh per month, their bill would increase by about \$7.00 per month.

Earlier, sometime in about July 2025, to allow time for review of Oncor's proposed increase in rates and to maintain current rates in effect, the City took its initial action on Oncor's application and suspended Oncor's proposed effective date until October 29, 2025.

INTERVENTION AT THE PUBLIC UTILITY COMMISSION OF TEXAS

Oncor filed its Statement of Intent to raise rates with the City and with the Public Utility Commission of Texas ("PUCT") on the same date, June 26, 2025. Because Oncor filed its application with the City and with the PUCT on the same date, the City, as part of the Alliance of Oncor Cities ("AOC") intervened in the proceedings before the PUCT.

During the suspension period, through AOC the City participated in the proceedings, including hearings, at the PUCT. AOC through its Special Counsel, Herrera Law & Associates, PLLC, engaged rate consultants to evaluate Oncor's proposal to increase rates and will participate in the hearings to be held as directed by the PUCT. Under the procedural schedule in the case before the PUCT, AOC's experts' recommendations are due on October 17, 2025, and the hearings regarding Oncor's proposal to increase rates are scheduled to begin November 17, 2025, and are slated to end by November 21, 2025, after which the administrative law judges ("ALJs") will issue a proposal for decision ("PFD"). The ALJs' proposal for decision will be presented to the PUCT commissioners in April 2026, for a final decision.

While there are numerous issues raised by Oncor's application to increase rates, AOC focused on several key issues that standing alone have the greater effect on Oncor's proposed increase: Oncor's rate of return, its depreciation expense, Oncor's funding for its self-insurance reserve and

its incentive compensation for its employees including its executives, and Oncor's post Test Year adjustment to its payroll expense.

Regarding Oncor's rate of return, Oncor has requested an overall rate of return of 7.47%. While AOC's rate expert has not concluded his analysis, his preliminary assessment suggests that Oncor's requested rate of return is too high and will likely recommend a materially lower overall rate of return. But to provide an order of magnitude on the effect on rates of a relatively small change in the rate of return, a one percent change in overall rate of return is about \$264 million in return dollars.

But at this juncture AOC's experts have not concluded their analysis. Their recommendations will be completed by October 17, 2025.

CITY JURISDICTION TO SET ONCOR'S RATES

Municipalities have exclusive, original jurisdiction over an electric utility's rates, services, and operations within a city's boundaries. This means that for a utility like Oncor to change its rates it must seek approval to do so from the city in which it provides its service. Even if a city has ceded its jurisdiction to the PUCT, a city nonetheless has the statutory right to participate in rate proceedings before the PUCT.

But, the PUCT has appellate jurisdiction over rate-setting decisions a city makes. This means that Oncor may appeal to the PUCT, a city's decision regarding rates. And to be clear: Oncor will appeal to the PUCT, the City's decision regarding rates.

PRIOR CITY ACTION

The City previously acted to suspend the effective date of Oncor's requested rate increase by 90 days. Contemporaneously with the City's prior action to suspend the rate increase, the City also: (1) authorized intervention in proceedings related to Oncor's proposed rate increase as a member of the coalition of cities known as the Alliance of Oncor Cities; (2) directed Oncor to reimburse AOC's rate case expenses; and (3) retained the law firm of Herrera Law and Associates, PLLC with respect to rate proceedings involving Oncor before the Public Utility Commission of Texas, including exploration of a settlement of the case, and courts of law and to retain consultants to review Oncor's rate application, all subject to AOC's approval.

We fully expect the parties to begin settlement discussions in earnest in the next few weeks.

RATE CASE EXPENSES

Cities, by statute, are entitled to recover their reasonable rate case expenses from the utility. The accompanying Resolution directs Oncor to continue to reimburse AOC's rate case expenses on a monthly basis based on presentation of approved invoices from the cities.

DENIAL

The attached Resolution denies Oncor's proposed increase in revenue and changes in rates and directs Oncor to reimburse AOC's rate case expenses.

RECOMMENDATION: DENY ONCOR'S PROPOSED INCREASE

AOC's Special Counsel and consultants have not concluded their analysis of Oncor's proposed increase in rates. Nonetheless, AOC's experts' preliminary assessment is that Oncor's proposed increase is not warranted and is too high.

So, because that analysis will not be complete in time for AOC cities to take final action by October 29, 2025, AOC's Special Counsel recommends that the City take action to deny Oncor's proposed increase in revenue and change in rates.

Oncor will file an appeal with the PUCT of the City's action denying Oncor its requested increase in rates, and the PUCT ultimately will rule on the merits of Oncor's request. AOC will continue its participation in Oncor's appeal at the PUCT.

A denial of Oncor's proposed increase maintains the status quo in rates until the PUCT issues its final order regarding Oncor's rates.

Motion:

Motion to approve a resolution to deny Oncor Electric Delivery Company LLC's proposed increase in revenue and its proposed changes to rates.

RESOLUTION NO. 2025-101

RESOLUTION BY THE CITY OF GATESVILLE (“CITY”) DENYING ONCOR ELECTRIC DELIVERY COMPANY LLC’S APPLICATION TO INCREASE RATES RELATED TO ONCOR’S STATEMENT OF INTENT TO INCREASE RATES FILED ON OR ABOUT JUNE 26, 2025; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Oncor Electric Delivery Company LLC (“Oncor” or “Company”) filed a Statement of Intent with the City on or about June 26, 2025, to increase its revenues; and

WHEREAS, Oncor’s proposed increase in rates would result in an increase of approximately \$833.6 million in its annual revenue, which equates to an overall increase in revenue of approximately 13.0%; and

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act (“PURA”) and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over Oncor’s rates, operations, and services within the municipality; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating Oncor’s rate request and its changes in tariffs the City coordinated its efforts with a coalition of similarly situated municipalities known as the Alliance of Oncor Cities (“AOC”) and other cities; and

WHEREAS, Oncor failed to establish that its overall revenue request resulted in no more than an amount that will permit Oncor a reasonable opportunity to earn a reasonable return on the utility’s invested capital used and useful in providing service to the public in excess of the utility’s reasonable and necessary operating expenses; and

WHEREAS, Oncor failed to establish that its proposed rates were just and reasonable; and

WHEREAS, Oncor failed to establish that its proposed return on equity and its proposed overall rate of return is just and reasonable; and

WHEREAS, the City has previously: (1) suspended Oncor's proposed rate increase by 90 days; (2) authorized intervention in proceedings related to Oncor's proposed rate increase as a member of the coalition of cities known as the Alliance of Oncor Cities; (3) directed Oncor to reimburse AOC's rate case expenses; and (4) retained the law firm of Herrera Law & Associates, PLLC with respect to rate proceedings involving Oncor before the City, the Public Utility Commission of Texas, and courts of law and to retain consultants to review Oncor's rate application subject to AOC's approval.

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

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. Oncor failed to show that its proposed rates are just and reasonable.

Section 3. The City hereby **DENIES** Oncor's request to increase rates and in support of **DENIAL** finds that:

- a) Oncor failed in its burden of proof to establish that its requested increase in revenue or the changes set forth in its tariffs attached to Oncor's Statement of Intent to increase rates, results in just and reasonable rates;
- b) Oncor failed in its burden of proof to establish that adoption of its proposed rate base, expenses, investment, return on equity, rate of return, and other rate issues as presented in Oncor's Statement of Intent to increase rates, result in just and reasonable rates.

Section 4. The City authorizes its continued intervention and full participation, including settlement negotiations, in proceedings related to Oncor's Statement of Intent before the Public Utility Commission of Texas and related proceedings in courts of law and participation in the coalition of cities known as the Alliance of Oncor Cities.

Section 5. The City hereby orders Oncor to reimburse the City's rate case expenses as provided in the Public Utility Regulatory Act and that Oncor shall continue to do so on a monthly basis and within 30 days after submission of the AOC's invoices for the AOC's reasonable costs associated with the City's activities related to this rate review or to related proceedings involving Oncor before the City, the Public Utility Commission of Texas, or any court of law.

Section 6. The City, in coordination with the AOC, delegates to the City Manager and/or the City Attorney, or designee of such office, review of the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to Oncor for reimbursement.

Section 7. A copy of this resolution shall be sent to Mr. Matt Henry, Vice President, General Counsel, Oncor, 1616 Woodall Rodgers Expressway, Dallas, Texas, 75202; Mr. Robert Schmidt, Regulatory Manager, Oncor/Regulatory Financial, 1616 Woodall Rodgers Expressway, Dallas, Texas, 75202; and to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 4400 Medical Pkwy, Austin, Texas 78756.

Section 8. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. This resolution supersedes any prior inconsistent or conflicting resolution or ordinance.

Section 10. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this _____ day of _____, 2025.

Mayor, Gary Chumley

ATTEST:

City Secretary, Holly Owens



Date 10/14/2025

Agenda Item 4c

Resolution 2025-102

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Holly Owens, City Secretary

Agenda Item: Discussion and possible action regarding a Resolution designating an official newspaper for the City of Gatesville for the Fiscal Year 2025-2026.

Information:

The Gatesville Messenger is currently the newspaper that the City of Gatesville has used to publish City Notices, Ordinances, or any other matter required to be published.

Local Government Code Chapter 52; Section 52.004 requires cities to designate an official newspaper to publish required ordinances and notices as soon as practical after the beginning of each fiscal year.

The City of Gatesville's Fiscal Year 2025-2026 begins on October 1, 2025, and ends on September 30, 2026.

Financial Impact:

There is no financial impact.

Staff Recommendation:

Staff recommends approving Resolution 2025-102, designating the Gatesville Messenger as the official newspaper for the City of Gatesville, Fiscal Year 2025-2026.

Motion:

Motion to approve **Resolution 2025-102**, designating the Gatesville Messenger as the official newspaper for the City of Gatesville, Fiscal Year 2025-2026.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Gatesville, Texas, this the ____ day of _____, _____, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

Date 10/14/2025

Agenda Item 4c

Resolution 2025-102

APPROVED

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary



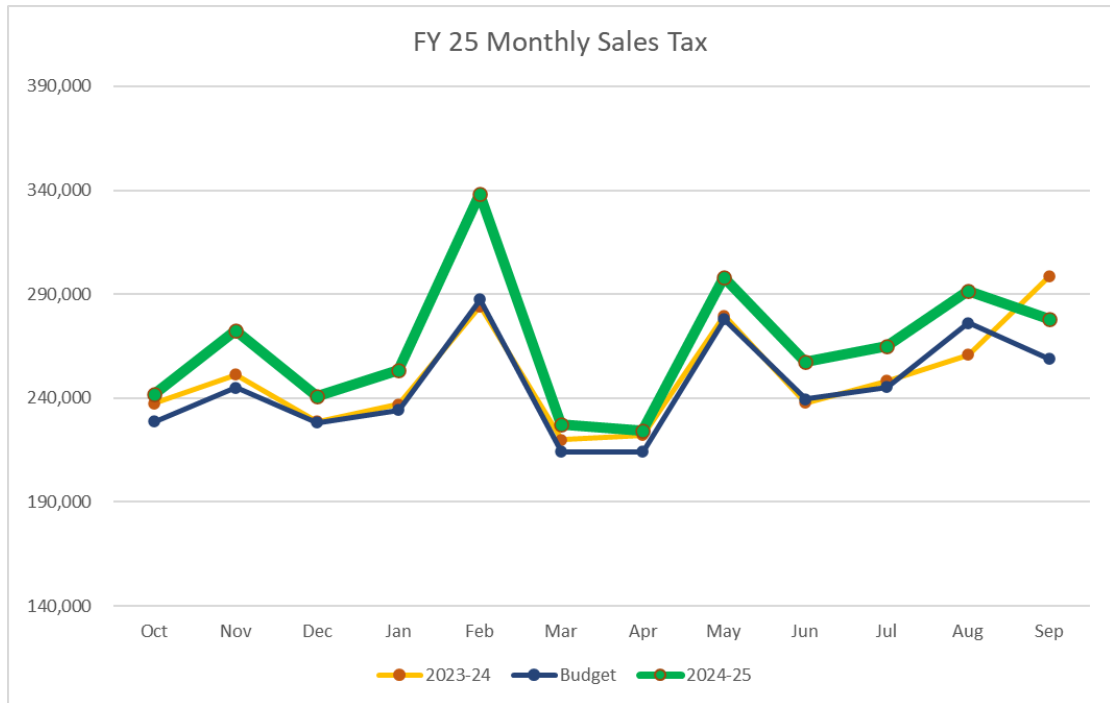
FY 2024-2025 Monthly Financial Report

AUGUST 2025

General Fund

	AUGUST	2024-25 Budget	2024-25 YTD	% YTD
Revenues				
AV Taxes	30,198	2,952,906	3,245,970	109.9%
Sales Tax	291,438	2,950,000	2,911,272	98.7%
Franchise Fees	121,321	802,000	835,446	104.2%
Fines & Fees	10,898	152,000	114,119	75.1%
Other taxes	990	15,000	10,934	72.9%
Licenses & Permits	11,726	62,600	170,319	272.1%
Rental Income	1,925	64,000	63,377	99.0%
Parks & Rec	38,270	420,000	441,558	105.1%
Misc. Revenues	11,389	151,500	196,576	129.8%
Intergovernmental	-	371,459	-	0.0%
Inter fund Transfers	95,254	687,503	571,526	83.1%
TOTAL REVENUES	613,408	8,628,968	8,561,097	99.2%

	JUNE	2024-25 Budget	2024-25 YTD	% YTD
Expenditures				
LIBRARY	16,775	290,663	244,548	84.1%
ADMINISTRATION	112,713	1,423,950	1,372,278	96.4%
PLANNING	9,820	152,200	89,282	58.7%
POLICE	213,800	2,878,749	2,508,977	87.2%
COURT	12,768	199,062	178,497	89.7%
FIRE	52,239	372,758	385,383	103.4%
STREET	120,211	1,229,677	1,053,139	85.6%
FLEET SERVICES	18,041	148,370	151,708	102.2%
BUILDING INSPECTIONS	11,704	128,911	140,531	109.0%
PARKS & RECREATION	68,277	859,978	784,485	91.2%
FT HOOD REC MGMT	0	371,459	0	0.0%
FITNESS CENTER	25,409	324,500	288,111	88.8%
SWIMMING POOL	10,257	124,138	95,081	76.6%
CIVIC CENTER	8,009	124,553	105,438	84.7%
TRANSFER EXPENSE	0	0	0	0.0%
TOTAL EXPENDITURES	680,023	8,628,968	7,397,457	85.7%
Gain (Loss)		-	1,163,640	



Expenditures	Budget	YTD	
Salaries	\$4,163,057	\$3,496,445	84.0%
Benefits	\$1,246,074	\$946,658	76.0%
Professional Services & Training	\$800,626	\$645,821	80.7%
Utilities	\$282,945	\$297,206	105.0%
Materials & Supplies	\$397,546	\$385,239	96.9%
Maintenance & Operations	\$1,259,630	\$1,185,749	94.1%
Lease & Rental	\$280,259	\$240,600	85.8%
Miscellaneous	\$51,456	\$10,816	21.0%
Grant Expenses	\$0	\$0	0.0%
Debt Service	\$68,610	\$40,674	59.3%
Transfers	\$0	\$0	0.0%
Capital Outlay	\$78,765	\$148,249	188.2%
Total Expenditures:	\$8,628,968	\$7,397,457	85.7%

- Total Year-to-Date (YTD) revenues stand at 99% of the annual budget of \$8,628,968.
- Sales tax collections are exceeding budget, and higher than prior year.
- Property tax collections are as expected for YTD, and have exceeded budget.
- Licenses & permits increased due to increased development activity.
- Fire department expenditures are elevated due to 1-time expenditures.
- Building Inspections expenditures are elevated due to recording code enforcement salaries in this department
- Capital Outlay is elevated due to budget amendments authorized by Council

Water & Sewer Fund

	AUGUST	2024-25 Budget	2024-25 YTD	% YTD
Water				
Revenues				
Water Sales				
Residential	157,837	1,971,963	1,662,910	84.3%
Commercial And Institutional	175,099	2,021,987	1,948,457	96.4%
Wholesale	98,147	1,041,281	932,846	89.6%
Connections & Installs	4,391	31,300	62,560	199.9%
Misc.	6,879	71,000	129,297	182.1%
Subtotal	442,352	5,137,531	4,736,070	92.2%
Expense				
Distribution & Collections				
Personnel	74,488	757,838	709,552	93.6%
O&M	80,459	518,062	515,859	99.6%
Debt Service	-	206,225	206,225	
Capital Outlay	39,449	1,308,987	150,543	11.5%
Production				
Personnel	37,298	507,570	472,424	93.1%
O&M	613,887	1,705,291	1,630,689	95.6%
Debt Service	773,066	928,128	927,227	
Capital Outlay	10,230	30,922	130,748	422.8%
Subtotal	1,628,877	5,963,023	4,743,266	79.5%
Sewer				
Revenues				
Sewer Fees				
Residential	112,998	944,612	1,202,804	127.3%
Commercial And Institutional	177,279	2,074,791	1,730,894	83.4%
Connections & Installs	-	9,300	16,708	179.7%
Misc.	1,834	29,000	41,958	144.7%
Subtotal	292,111	3,057,703	2,992,364	97.9%
Expense				
Personnel	39,580	519,264	458,432	88.3%
O&M	62,965	986,646	960,992	97.4%
Debt Service	844,641	939,740	890,604	
Capital Outlay	16,442	9,159,200	3,010,415	32.9%
Subtotal	963,628	11,604,850	5,320,443	45.8%
Sanitation				
Revenues	76,142	889,920	827,192	93.0%
Expense	73,917	865,700	660,665	76.3%
Non Departmental				
Revenues				
Grants & reimbursements	324,360	10,177,182	3,219,097	31.6%
Interest	14,869	153,600	371,412	241.8%
Subtotal	339,229	10,330,782	3,590,508	34.8%
Expense				
Transfers and Franchise fees	172,419	982,363	1,011,398	103.0%
Grand Total				
Revenues	1,149,834	19,415,936	12,146,135	62.6%
Expense	2,838,840	19,415,936	11,735,772	60.4%
Gain (Loss)	(1,689,006)	-	410,363	

Residential Water Sales: \$ 1,662,910 year-to-date (YTD), 84% of the annual budget, lower than expected to lower demand over summer.

Commercial & Institutional Sales: \$ 1,948,457 YTD, 96% of the budget.

Wholesale Sales: \$ 932,846 YTD, 90% of the budget.

Total Water Revenues: \$ 4,736,070 YTD, 92% of the annual budget.

Water O&M expenditures will exceed budget due to system repairs.

Water retail and wholesale , and sewer rate studies complete, pending Council review.

Residential Sewer Fees: \$ 1,202,804 YTD 127% of the budget.

Commercial & Institutional Sewer Fees: \$ 1,730,894 YTD 83% of the budget.

Sewer expenses are driven primarily by the Stillhouse plant renovation project.

Planned sewer capital projects are underway, Lakewood sewer reroute complete.

Planned water capital projects delayed to grant funding issues.

Airport Fund

AIRPORT FUND - 060

AIRPORT REVENUE		FY25 Budget	YTD AUGUST	% of Budget
060-4-101-4203	RECEIPTS OF GAS/OIL SAL	\$ 23,000	\$ 5,930	25.8%
060-4-011-4302	RECEIPTS OF HANGAR RENT	\$ 28,500	\$ 37,560	131.8%
060-4-101-4303	RECEIPT OF BUILDING LEASES	\$ -	\$ -	
060-4-101-4550	MISCELLANEOUS	\$ -	\$ 518	
060-4-011-4600	GRANT REIMBURSEMENTS	\$ -	\$ -	
060-4-011-4400	INTEREST		\$ 5,247	
060-4-101-4750	RAMP Grants	\$ 3,000	\$ 1,264	42.1%
TOTAL REVENUE		\$ 54,500	\$ 50,519	92.69%

EXPENDITURES				
060-5-150-10080	CONTRACT SERVICES	\$ 7,200	\$ 1,312	18.2%
060-5-150-20010	UTILITIES	\$ 6,000	\$ 4,999	83.3%
060-5-150-20020	MAT., SUP., & PRINTING	\$ 1,000	\$ 51	5.1%
060-5-150-20045	PROP, LIAB, WC INSURAN	\$ 3,700	\$ 4,746	128.3%
060-5-150-20090	EQUIPMENT PURCHASE	\$ -	\$ -	
060-5-150-20170	CREDIT CARD SERV FEE	\$ 450	\$ 186	41.3%
060-5-150-30010	GAS & OIL	\$ -	\$ -	
060-5-150-30015	FUEL FOR RESALE	\$ 20,000	\$ 4,236	21.2%
060-5-150-30020	MISCELLANEOUS	\$ 600	\$ -	0.0%
060-5-150-30070	MAINTENANCE AGREEMENT	\$ -	\$ -	
060-5-150-40010	CAPITAL OUTLAY	\$ 100,000	\$ 92,913	92.9%
060-5-150-50010	REPAIRS & MAINTENANCE	\$ 15,550	\$ 3,509	22.6%
060-5-150-61415	GRANT EXPENDITURES		\$ -	
TOTAL EXPENSES		\$ 154,500	\$ 111,952	72.46%

Gain (Loss)

(61,433)

Fuel tank, POS and pump system replacement completed, eligible for RAMP grant 90/10.
Reimbursement request submitted to TxDOT Aviation.

Hotel Occupancy Tax (HOT) Fund

HOT FUND REVENUE		FY25 Budget	YTD AUGUST	% of Budget
040-4-008-4400	INTEREST	8,000	29,007	362.6%
040-4-008-4500	Prior Year Resources	-	102,023	
040-4-008-4950	HOTEL OCCUPANCY TAX	150,000	255,342	170.2%
TOTAL REVENUE		\$ 158,000	\$ 386,372	244.54%

EXPENDITURES				
040-5-138-60010	TRANSFER TO GENERAL FUND	\$ 29,610	-	0.0%
040-5-138-61000	CVB CENTER EXPENSES	\$ -	-	
040-5-138-61010	ADVERTISING	\$ 18,500	23,765	128.5%
040-5-138-61020	PROMOTION OF THE ARTS	\$ 5,000	500	10.0%
040-5-138-61030	SIGNAGE & WAYFINDING	\$ -	-	
040-5-138-61040	PROMOTION OF SPORTING EVENTS	\$ 102,023	-	0.0%
040-5-138-61050	HISTORICAL PRESERVATION	\$ -	-	
TOTAL EXPENSES		\$ 155,133	\$ 24,265	15.64%

Gain (Loss)

362,107

Includes Chamber payment of \$10k for advertising and reversed contribution for MUSCO lights

Court Technology and Security Fund - 022

REVENUE		FY25 Budget	YTD AUGUST	% of Budget
022-4-001-4341	TECHNOLOGY FINES @COURT	5,200	2,288	44.0%
022-4-001-4342	COURT BLDG SECUR.FINES	5,000	2,751	55.0%
022-4-001-4344	TRUANCY PREVENT & DIVERSION	2,800	3,753	134.0%
022-4-001-4345	TIME PAYMENT FEES	-	2,019	
022-4-001-4346	COURT TECH/BLDG SECURITY	-	1,700	
022-4-001-4350	MUN JUROR REIMB OR SERVIC	50	75	150.2%
022-4-001-4400	INTEREST	350	3,028	865.1%
TOTAL REVENUE		\$ 13,400	\$ 15,614	116.52%

EXPENDITURES				
022-5-002-20185	COURTROOM SECURITY	\$ 4,515	420	9.3%
022-5-002-20186	COURT TECHNOLOGY EXP.	\$ 725	1,084	149.5%
022-5-002-20188	TRUANCY PREVENTION EXP	\$ -	0	
022-5-002-20195	COURT JUROR REIMB EXP	\$ 200	0	0.0%
022-5-002-20197	COURT TECH/BLDG SECURITY	\$ -	0	
TOTAL EXPENSES		\$ 5,440	\$ 1,504	27.65%

Gain (Loss)

14,110

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Gatesville, Texas, this the ____ day of _____, _____, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 et seq.

APPROVED

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary



Date 10/14/2025

Agenda Item 4e

Resolution 2025-104

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Mike Halsema, Deputy City Manager

Agenda Item: Consider a Resolution approving renewal of health insurance services with Baylor Scott and White.

Information:

The city has contracted with McGriff to negotiate health insurance proposals since 2021. The city has had health insurance through Baylor Scott and White (BSW) since that time. In FY22 we had an increase of 2.8%, 9.8% in FY23, a decrease of -2% in FY24, and another decrease in FY25 due to a plan change and favorable claims experiences. For FY26, an increase of 7.28% is proposed for renewal of the current health plan. The FY26 budget includes a 6% increase over the entire 12 months of the year. The increase will not take effect until January 2026. Staff is confident the budgeted health insurance amounts are sufficient to accommodate the increase without negative impacts to the budget.

Staff Recommendation:

Staff recommends accepting the renewal proposed by BSW.

Motion:

I move to approve a Resolution authorizing the City Manager or his/her designee to renew health insurance services with Baylor Scott and White for the Calendar year 2026

Attachments:

- Resolution
- 2026 Renewal



City of Gatesville

2026 Renewal Meeting

Presented by:

Tracy Butler – Senior Vice President

Kristen Ramos – Assistant Vice President / Senior Account Executive

Anna Rodriguez – Account Manager

October 6, 2025

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About McGriff

When it comes to protecting what matters most in business and everyday life, we believe our clients should never settle for less than the best.

For more than a century, we've relied on expertise, resources, and relationships to deliver insurance and risk management solutions focused on our clients' priorities and what they value most.

Join the thousands of businesses, organizations and individuals across the country who choose McGriff, a firm dedicated to building long-term relationships and helping protect your most valuable assets.

With McGriff, you'll never have to settle for less.



MMA By the Numbers

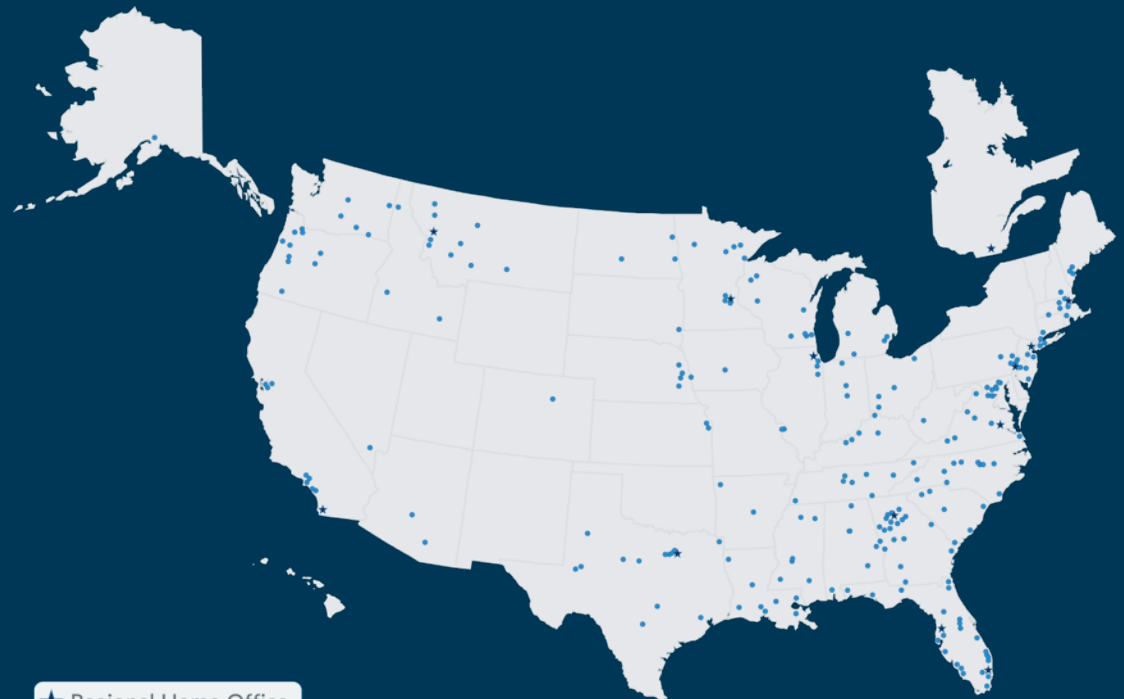
The Benefits of Scale & Reach

\$5 Billion
Annual Revenue

15,000
Teammates

300
Office
Locations
in the U.S.

130
Countries
with
Marsh
McLennan
Offices



★ Regional Home Office
● Office Location

McGriff & Marsh McLennan Agency (MMA)

*McGriff is part of Marsh McLennan Agency, the only agency backed by the No. 1 brokerage in the world.**

McGriff and MMA at a Glance

- Business insurance, employee health and benefits, retirement and wealth, private client, small business, personal lines
- Industry and middle market-focused solutions, thought leadership and insights
- Property & casualty, executive risk, management and professional liability, transactional liability, cyber, workers' compensation, bonding & surety, and captives
- Risk control consulting, claims management, claims advocacy, and data analytics
- Expertise across prominent industries, including aviation & aerospace, construction, energy, senior living, marine, public entity/education, transportation, real estate & hospitality, executive risk, private equity, and more
- Comprehensive Employee Benefit Solutions with national practices in compliance, actuarial & underwriting, health & wellness, benefits administration technology, communications, pharmacy, flexible benefits TPA services, HR and data insights & analytics
- Proprietary solutions and partnerships (Captives, Cyber Resiliency Network, Workers' Health 360, Rx Solutions)
- Award-winning corporate culture
- Access to Marsh McLennan's global network of risk, strategy, and people specialists

*Business Insurance ranking

Be Confident in Your Coverage

Our consultative approach allows us to achieve a unique understanding of your situation and goals. Through our four-step process, you receive complete insurance solutions that meet your needs.

- 1 Discover:** We listen to your goals and concerns during a comprehensive personal risk management review.
- 2 Design:** You receive personalized solutions through insurers that specialize in protecting high-value assets.
- 3 Advise:** Clients receive ongoing advice, consultation and service to keep their insurance aligned with their lifestyle.
- 4 Advocate:** When a claim happens, our team works on your behalf to oversee the claims process and deliver the best outcome.

Ready to keep making the extraordinary possible?

As part of the world's largest risk advisor, McGriff and MMA offer unparalleled global resources delivered through local teams. It means that no problem is too complex for us to solve. Our team makes handling one-of-a-kind solutions part of our daily routine. Take the first step by scheduling your complete personal risk management review today.



Industry Expertise



Auto Dealerships



Aviation



Construction



Energy



Financial



Forestry &
Building Products



Government
Contractors



Legal



Manufacturing



Marine



Mergers &
Acquisitions



Mining



Oil & Gas



Port &
Terminal



Public Entity
& Education



Real Estate
& Hospitality



Restaurants
& Retail



Senior Living



Technology &
Communication



Transportation



McGriff's Core Principles

Our experienced risk management specialists develop highly tailored solutions while listening, learning, and executing with precision under the guidance of our four core principles:



Integrity

We do what we say, every time.



Determination

We relentlessly pursue success on your behalf.



Passion

We are specialists in our field driven to serve you.



Collaboration

We build strong relationships with teammates, partners, and you to create the best solutions.

Account Service Team

Servicing Office Location

McGriff, A Marsh & McLennan Agency LLC Company

5080 Spectrum Dr, Suite 900E

Addison, TX 75001

T: (877) 682-8510

P: (713) 877-8975

F: (713) 877-8974

www.mcgriff.com

Service Team Contacts

TEAM MEMBER	CONTACT INFORMATION
Tracy Butler <i>Senior Vice President</i>	Email: tbutler@mcgriff.com
Kristen Ramos <i>Assistant Vice President / Senior Client Account Executive</i>	Email: kramos@mcgriff.com
Anna Rodriguez <i>Account Manager</i>	Email: annarodriguez@mcgriff.com



2026 Renewals

Medical – Claims Experience & Renewal Overview

Plan Experience (incurred 8/1/2024 – 7/31/2025)

- Premium \$671,888
- Claims \$581,056
- Loss Ratio 86.48%
- Large Claims
 - 5 claimants represent +42% of all claims
 - 4 of 5 are active and expected to have on-going claims
- ❖ Claimant #1 – Incurred claims +\$88k. Claimant is active and expected to have on-going claims
- ❖ Claimant #2 – Incurred claims +\$77k. Claimant is active. On-going high-cost Rx
- ❖ Claimant #3 – Incurred claims +\$25k. Claimant is termed
- ❖ Claimant #4 – Incurred claims +30\$k. Claimant is active. On-going Rx of \$25k per quarter.
- ❖ Claimant #5 – Incurred claims +\$25k. Claimant is active and expected to have on-going claims

Renewal Underwriting

- Calculated Renewal (50% claims credibility) called for +13.82% increase from current
- Renewal negotiated increase down to +7.28% for a no shop offer

Medical

			Current Rates		Renewal Rates	
Benefits			LC5HB1K2 LRXHKE25 Premier HMO	LC5HB1F2 LRXHGC25 Premier HMO	LC5HB1K2 LGRXE26 Premier HMO	LC5HB1F2 LGRXHC26 Premier HMO
Coinsurance			80%	80%	80%	80%
Individual Deductible			\$4,500	\$2,000	\$4,500	\$2,000
Family Deductible			\$9,000	\$4,000	\$9,000	\$4,000
Individual Out-of-Pocket Maximum			\$7,000	\$5,000	\$7,000	\$5,000
Family Out-of-Pocket Maximum			\$14,000	\$10,000	\$14,000	\$10,000
Ded. Applies to OOP			Yes	Yes	Yes	Yes
Lifetime Maximum			Unlimited	Unlimited	Unlimited	Unlimited
Physician Office Copay			\$25 Adult / \$0 Pediatric	\$30 Adult / \$0 Pediatric	\$25 Adult / \$0 Pediatric	\$30 Adult / \$0 Pediatric
Specialist Office Copay			\$50 copay	\$60 copay	\$50 copay	\$60 copay
Urgent Care Copay			\$50 copay	\$50 copay	\$50 copay	\$50 copay
Emergency Room Copay			\$500 + 20% coins	\$500 + 20% coins	\$500 + 20% coins	\$500 + 20% coins
Lab / X-Ray / Diagnostic			Included	Included	Included	Included
Hospital Inpatient / Outpatient			20% after ded.	20% after ded.	20% after ded.	20% after ded.
Mental Illness / Substance Abuse Inpatient / Outpatient			20% after ded.	20% after ded.	20% after ded.	20% after ded.
Prescription Drugs						
Retail - (30-day supply)						
Preferred Generic			Tier 1: \$5	Tier 1: \$0	Tier 1: \$5	Tier 1: \$0
Non-Preferred Generic			Tier 2: \$15	Tier 2: \$8	Tier 2: \$15	Tier 2: \$8
Preferred Brand			Tier 3: \$60	Tier 3: \$45	Tier 3: \$60	Tier 3: \$45
Non- Preferred Brand Name			Tier 4: \$130	Tier 4: \$100	Tier 4: \$130	Tier 4: \$100
Specialty			\$125/\$200/\$400	\$75/\$150/\$300	\$125/\$200/\$400	\$75/\$150/\$300
Mail Order - (90-day supply)						
Generic						
Brand Name			2.5x Retail	2.5x Retail	2.5x Retail	2.5x Retail
Non-Formulary						
Rates	K2	F2				
Employee Only	40	3	\$471.50	\$602.19	\$505.82	\$646.01
Employee + Spouse	3	0	\$1,084.47	\$1,385.04	\$1,163.40	\$1,485.84
Employee + Child	26	0	\$895.87	\$1,144.17	\$961.07	\$1,227.44
Employee + Family	3	0	\$1,414.53	\$1,806.58	\$1,517.48	\$1,938.05
Monthly Total	72	3	\$49,649.62	\$1,806.57	\$53,263.26	\$1,938.03
Annual Total			\$595,795.44	\$21,678.84	\$639,159.12	\$23,256.36
Total Premium			\$617,474.28		\$662,415.48	
\$ Over Current			-\$102,914.28	-\$3,788.28	\$43,363.68	\$1,577.52
% Over Current			-14.73%	-14.88%	7.28%	7.28%
Combined \$ Difference over Current			-\$106,702.56		\$44,941.20	
Combined % Difference over Current			-14.7%		7.28%	

Dental

Current / Renewal

Benefits		Mutual of Omaha	
Deductible		\$50 Individual \$150 Family	
Ded Waived for Preventive		Yes	
Preventive		100%	
Basic		80%	
Major		50%	
Endodontics and Periodontics		50%	
Calendar Year Maximum		\$1,500	
Orthodontia		50%	
Calendar Year Maximum		\$1,000	
Rate Guarantee		1 Year - 12/31/2025	1 Year - 12/31/2026
Dental Rates		Current	Renewal
Employee Only	26	\$25.16	\$26.92
Employee + Spouse	7	\$51.20	\$54.78
Employee + Child(ren)	13	\$62.18	\$66.53
Employee + Family	11	\$92.65	\$99.14
Monthly Total	57	\$2,840.05	\$3,038.81
Annual Total		\$34,080.60	\$36,465.72
\$ Over Current		-	\$2,385.12
% Difference		-	7%

Vision

		Current / Renewal Mutual of Omaha	
Benefits		In-Network	Out-of-Network
Exams		Once every 12 months	
		\$10 copay	Up to \$37 reimbursed
Lenses: Standard		Once every 12 months	
Single Vision		\$25 copay	Up to \$20 reimbursed
Bifocal		\$25 copay	Up to \$36 reimbursed
Trifocal		\$25 copay	Up to \$64 reimbursed
Frame		Once every 24 months	
		Up to \$130 allowance + 20% off balance	Up to \$58 reimbursed
Contacts (in lieu of glasses)		Once every 12 months	
Elective Contact Lenses		Up to \$130 allowance, 15% off balance (conventional)	Up to \$89 reimbursed
Medically Necessary		\$0 copay; paid in full	Up to \$210 reimbursed
Rate Guarantee		2 Year - 12/31/2027	
Vision Rates			
Employee Only	25	\$6.37	
Employee + Spouse	5	\$13.30	
Employee + Child(ren)	11	\$12.22	
Employee + Family	8	\$20.47	
Monthly Total	49	\$523.93	
Annual Total		\$6,287.16	
Difference in Premium		\$0.00	
% Difference		0.0%	

Life & AD&D

Benefits	Current	Renewal
	Mutual of Omaha	Mutual of Omaha
Employee Life Amount	\$50,000	\$50,000
Employee AD&D Amount	Matches life amount	Matches life amount
Guarantee Issue Amount	\$50,000	\$50,000
Maximum Amount	\$50,000	\$50,000
Conversion Privilege	Included	Included
Accelerated Benefit	Included	Included
Age Reduction Formula	65% at age 65 50% at age 70	65% at age 65 50% at age 70
Rate Guarantee	2 Year - 12/31/2025	2 Year - 12/31/2027
Covered Volume	\$3,966,000	\$4,007,500
Life Rates (Per \$1,000)	\$0.110	\$0.110
AD&D Rate (Per \$1,000)	\$0.032	\$0.032
Monthly Total	\$563.17	\$569.07
Annual Total	\$6,758.06	\$6,828.78
% Difference		1.05%
\$ Difference		\$70.72

2026 Contribution Strategy

2026 Proposed Medical Contributions

2026 Contribution Strategy (Based on 2025 Contributions)						
Base (\$4500)	EES	Proposed Rate	City	Employees	EE Semi-Monthly	ER% Contrib
Employee Only	40	\$505.82	\$484.71	\$29.16	\$14.58	95.83%
Employee Spouse	3	\$1,163.40	\$781.76	\$400.15	\$200.08	67.20%
Employee Children	26	\$961.07	\$776.24	\$200.13	\$100.07	80.77%
Employee Family	3	\$1,517.48	\$791.43	\$750.20	\$375.10	52.15%
	72	\$53,263.26	\$44,290.21	\$9,820.83	\$4,910.42	
		\$639,159.12	\$531,482.52	\$117,849.96	\$58,924.98	
Buy Up (\$2000)	EES	Proposed Rate	City	Employees	EE Semi-Monthly	ER% Contrib
Employee Only	3	\$646.01	\$499.25	\$158.18	\$79.09	77.28%
Employee Spouse	0	\$1,485.84	\$790.64	\$721.46	\$360.73	53.21%
Employee Children	0	\$1,227.44	\$783.57	\$465.56	\$232.78	63.84%
Employee Family	0	\$1,938.05	\$803.01	\$1,169.30	\$584.65	41.43%
	3	\$1,938.03	\$1,497.75	\$474.54	\$237.27	
		\$23,256.36	\$17,973.00	\$5,694.48	\$2,847.24	

Notices and Disclosures

Marsh & McLennan Agency: Compensation Guide For Clients

Marsh & McLennan Agency LLC (“MMA”) prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. If MMA places business through an affiliated wholesale broker or managing general agent, MMA will advise the client of this at or prior to placement.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.

3/15/24 Ed:

Marsh & McLennan Agency: Compensation Guide For Clients

- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events. MMA may also have arrangements with vendors who compensate MMA for referring clients for vendor services.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

3/15/24 Ed:

Broker Compensation Disclosure Requirements

Section 202 of the Consolidated Appropriations Act, 2021 (“CAA”), requires entities providing brokerage and consulting services (referred to collectively as “covered service providers”), including their affiliates and subcontractors, who expect to receive \$1,000 or more in direct or indirect compensation, to provide plan fiduciaries with a written disclosure “reasonably in advance of” when the contract is entered, extended, or renewed. The effective date of the requirement is December 27, 2021 and applies to contracts executed on or after December 27, 2021.

Disclosures are required to include:

- A description of the services to be provided to the covered plan pursuant to the contract.
- Where applicable, a statement that the covered service provider (or their affiliate or subcontractor) will provide, or reasonably expects to provide, services pursuant to the contract directly to the covered plan as a fiduciary.
- A description of all direct compensation, either in the aggregate or by service, the covered service provider (or their affiliate or subcontractor) reasonably expects to receive from the covered plan in connection with services provided under the contract.
- A description of all indirect compensation, including compensation from a vendor to a brokerage firm based on a structure of incentives not solely related to the contract with the covered plan that the covered service provider reasonably expects to receive in connection with services provided under the contract. Indirect compensation excludes any compensation received by an employee from an employer. Further compensation from the covered service provider (or their affiliate), the covered plan, or the plan sponsor is not indirect compensation.

In addition to the above, for any indirect compensation, the disclosure must also include:

- A description of the arrangement between the payer and covered service provider (or their affiliate or subcontractor) pursuant to which indirect compensation is paid;
- Identification of the services for which the indirect compensation will be received, if applicable; and
- Identification of the payer of indirect compensation.
- A description of any compensation provided on a transaction basis (such as commissions, finder’s fees, or other similar incentive compensation based on business placed or retained) that will be paid among the covered service provider (or their affiliate or subcontractor) in connection with the services provided under the contract. This should include an identification of the services for which such compensation will be paid and identification of the payers and recipients of such compensation as well as the status of a payer or recipient as an affiliate or a subcontractor, regardless of whether such compensation also is disclosed pursuant to any other provision.
- A description of any compensation that the covered service provider (or their affiliate or subcontractor) reasonably expects to receive in connection with termination of the contract or arrangement, and how any prepaid amounts will be calculated and refunded upon such termination.
- A description of the manner in which such direct or indirect compensation will be received.

Broker Compensation Disclosure Requirements

Compensation may be expressed in a monetary amount, formula, or per capita charge based on enrollment counts, or another reasonable method if it cannot reasonably be expressed in one of the other manners. If additional compensation can be earned, but it is not calculable at the time of the contract, then the disclosure must include a description of the circumstances under which the additional compensation may be earned and a reasonable, good faith estimate if the covered service provider cannot readily describe compensation or cost and explains the methodology or assumptions used to prepare their estimate. Disclosure of compensation in ranges may be reasonable in circumstances when the occurrence of future events or other features of the service arrangement could result in the covered service provider's compensation varying within a projected range.

In addition to the above, the covered service provider must update its disclosures:

- Within 60 days of being informed of a change to the information already disclosed (or as soon as practicable if disclosure is precluded due to circumstances beyond the covered service provider's control)
- To correct any inadvertent errors or omissions within 30 days of discovering the error or omission

Further, covered service providers must provide its disclosure within 90 days of a written request by the plan fiduciary.

Broker Compensation Disclosure Requirements

McGriff (the Company) is committed to helping our clients make informed financial decisions. To honor our commitment, we strive to provide information that is clear, relevant, and accurate to help clients select services that best meet their needs. Our goal is to build a better future for our clients and communities and we are committed to full transparency in all aspects of our client relationships.

Our principal remuneration for the placement and service of your Employee Benefit Programs will be by commission (a proportion of the premium paid that is allowed to us by the insurance company(ies)) and/or a mutually agreed fee. You should be aware that we may receive additional income from the following sources:

Tier II / Supplemental Compensation is related to the placement of Employee Benefits coverage(s) and the placement of Employee Benefits insurance. Tier II / Supplemental Compensation requires certain conditions to be met in order to achieve that compensation. Tier II Supplemental compensation may be earned based on measurable aspects of new business and/or persistency of existing business. It can also be earned based on enrollment, number of clients, premium volume, addition of lines of coverage, certain scaled thresholds or other quantifiable action related to Employee Benefits business. This might include compensation from any of the below referenced insurers, vendors, or other third parties. As such, it is possible that no Tier II / Supplemental Compensation will be paid if the Company does not meet performance requirements. Due its variable nature, Tier II / Supplemental Compensation cannot be calculated as of the time this disclosure is made to you, or prior to the date the Company's executed, extended, or renewed contract with you is effective. In accordance with applicable guidance, however, we have provided you reasonable ranges for potential Tier II/Supplemental Compensation based on a percentage of total premium. The ranges provided for Tier II / Supplemental Compensation were based on a range between no Tier II/Supplemental Compensation being earned and the maximum Tier II/Supplemental Compensation being earned as provided in any agreement between the insurer, vendor or other third party and the Company.

Further details of Tier II / Supplemental Compensation structures are available upon request. Compensation may be in the form of additional commissions, bonuses, or benefits ("compensation").

The Company may also receive non-cash compensation from certain insurers, vendors, or other third parties that is not in connection with any particular client. This compensation includes such items as gifts valued at less than \$100 annually, entertainment, or reimbursement in connection with educational meetings, client workshops or events, or marketing or advertising initiatives, including services for identifying prospective clients. The Company may also receive corporate sponsorships for meetings, training, or other programming we provide for you and other clients, or for our own internal purposes. Like Tier II/Supplemental Compensation, potential non-cash compensation cannot be calculated at the time this disclosure is made to you but, in accordance with applicable guidance, we have provided you a reasonable range of the potential non-cash compensation as a percentage of total premium.

Broker Compensation Disclosure Form

The following constitutes McGriff's disclosure of direct and indirect compensation the Company will receive or reasonably expects to receive for the period of January 1, 2025, through December 31, 2025, in connection with the below referenced services it provides to City of Gatesville (the "Client" or "you"), and as outlined in your Fee Agreement, Employee Benefits Broker Service Agreement or other arrangement/contract for services with McGriff.

We provide brokerage services for the **selection of** the following products or services as well as consulting services for the **development and implementation** of those products or services:

- insurance products (including vision and dental),
- recordkeeping services,
- medical management services and vendors,
- benefits administration (including vision and dental),
- stop-loss insurance,
- pharmacy benefit management services,
- wellness services (including design and management),
- transparency tools and vendors,
- group purchasing organizations
- preferred vendor panels,
- disease management vendors and products,
- compliance services,
- employee assistance programs,
- third party administration services

We also provide consulting services with respect to development and implementation of plan design.

The Company does not provide the above-referenced services to the Client in the capacity as a plan fiduciary under ERISA.

Compensation

Compensation received by the Company directly from the Client is outlined in the above-referenced Fee Agreement.

The Company reasonably expects to receive compensation from sources other than the Client related to the lines of coverage and/or services listed below. In the event the Client is referred by Company and/or works directly with affiliates of the Company, such affiliates are under the same disclosure obligations as the Company and will separately disclose the required compensation.

Payer Category	Payer Name	Base Compensation/Commission	Tier II/Supplemental Comp or Commission	Non-cash Comp
Medical & Rx	Scott & White Health	5%	<u>N/A</u>	<u>N/A</u>
Dental	Mutual of Omaha	10%	<u>N/A</u>	<u>N/A</u>
Vision	Mutual of Omaha	10%	<u>N/A</u>	<u>N/A</u>

Broker Compensation Disclosure Form

Compensation among the Company its Affiliates and Subcontractors

There is no compensation provided on a transaction basis (such as commissions, finder's fees, or other similar incentive compensation based on business placed or retained) that will be paid among the Company and its affiliates or subcontractors in connection with the services provided in this disclosure. [If this statement is not accurate provide: (i) the services for which such compensation will be paid. (ii) the payers and recipients of such compensation including the status of the payer or recipient as an affiliate or subcontractor) and iii) a description of the manner in which the compensation will be received.]

Termination Compensation

The Company will not receive any special compensation in connection with the termination of the services described in this disclosure.

Confidentiality

This disclosure and its contents, including the fees arrangement we have reached, is confidential, as is any advice that I provide to you. To that end, by signing below, you agree not to disclose the contents of this letter to third parties unless you are required to do so by law.

Other Party's Disclosures

This disclosure document includes the disclosures the Company is required to make in accordance with ERISA Section 408(b)(2) and applicable State laws. Any other plan service provider that is subject to the 408(b)(2) disclosure requirements is required to make its own independent 408(b)(2) disclosure and any such disclosures are not included in this disclosure.

Should you have any questions about any of the above information or require additional information, please don't hesitate to contact Anna Rodriguez at annarodriguez@mcgriff.com or at 469-232-2132.

The above information is accurate to the best of my knowledge as of the date this disclosure is executed above.



Tracy Butler

Date: October 2, 2025

Provider Security Standards

McGriff

The following is a brief summary of the measures that we have taken as your agent/broker to review and objectively report to you the financial security of your insuring companies. Information is included from A.M. Best Company, our primary security rating source, and the internal policies and standards, which we have established to address this important issue for our clients.

Market Security Review

McGriff has established and continues to maintain an internal “Market Security Review Group” composed of senior management representatives from the Finance, Marketing, Wholesale, and Administrative Divisions of the company. This Group’s purpose is to develop and implement a policy, procedure, and standard for the review of financial security of all insurers, intermediaries, and associations used by McGriff.

This Group meets periodically to review the current listing of all companies, intermediaries, and associations that are actively used by McGriff. It will also act on any pending requests received from an agency to have new providers activated, and to inactivate any providers that do not meet current McGriff standards.

Provider Classifications

“Approved Provider” – A.M. Best Secured Rating with a minimum rating of A-, Demotech Financial Stability Rating of A, Exceptional or ALIRT score of 35 with five (5) or fewer flags. For foreign insurers whose rating is not tracked by A.M. Best, other internationally recognized rating organizations will be used.

“Exception Provider” – Any provider whose Best’s rating is below “A-”. The A.M. Best’s rating of an “exception” provider will be included on all McGriff proposals delivered to clients or prospects. In addition, these providers which have been reviewed by the Market Security Review Group and the client may be considered an exception security based on other factors. The client may be required to sign a form of disclaimer or acknowledgement of receipt of this information.

“Prohibited Provider” – All other providers not mentioned in one of the paragraphs above. These providers will not be set up for active use in the McGriff agency management system(s) at any time, for any reason.

History – A.M. Best Company was incorporated in 1899 as the first rating agency in the world to offer reliable information on the financial condition of U.S. insurance companies. The **Best’s Rating Guide** was first published in 1900, and has since become a cornerstone of the security review process by continuously evaluating the financial integrity of over 4,100 insurance companies. In 1984, the first edition of the **Best’s International Rating Guide** was published, reporting on the claims-paying ability of over 950 international insurers.

The information used by Best’s to rate insurance carriers is provided by the companies themselves as a part of their normal filings with the National Association of Insurance Commissioners, those states in which the company is licensed, the SEC and/or with its shareholders. Rating reviews are performed annually on each insurance company and on an interim basis as conditions dictate.

Best’s Rating System – The Best’s rating system is designed to evaluate a wide range of objective and subjective factors that affect the overall performance of an insurance company (not applicable to associations or intermediaries).

Provider Security Standards

These factors deal with the company's financial strength, its operational performance, and its ability to meet its financial obligations to policyholders, as follows:

- Profitability
- Quality of Reinsurance Program
- Quality and Diversification of Assets
- Adequacy of Policy Loss Reserves
- Capital Structure
- Spread of Risk
- Leverage/Capitalization
- Liquidity
- Adequacy of Policyholder's Surplus
- Management Experience and Objectives

A.M. Best's Ratings

Assigned to insurers which meet Best's standards for the quantitative and qualitative analysis of the company's financial condition and operating performance. For further information, see the Best's Guide to Ratings – www.ambest.com

Non-Admitted Carriers

An insurance company not licensed to do business in a given state. These insurers are not subject to the financial solvency and enforcement regulations that are required for admitted carriers. These insurers do not participate in any of the insurance guarantee funds. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.

The A.M. Best ratings for carriers presented for your consideration:

Insurer	Coverage	A.M. Best Rating
Scott & White Health	Medical	NR
Mutual of Omaha	Dental, Vision, Life, Disability	A+

Payment Terms

When policies are billed directly by a carrier, clients may contact us for assistance, however, McGriff is not permitted to notify clients of late payments or pending cancellation. Premium paid to carriers must be received by the carrier on or before the due date.

When policies are directly billed by McGriff:

- Invoices are due on the effective date or transaction date, whichever is later
- Payments should be made from invoice as no statement will be issued.
- Payments must be received no later than the 28th day after the due date to avoid cancellation.

Additional Statements & Disclosures

Managing Eligibility of Group Plans

Enrollments, Terminations and changes of Employee information under Group plans must be made in accordance with insurance carrier specific requirements. McGriff recommends Employers review insurance carrier bills each month to ensure employees are added, termed, or that necessary changes have been made. In addition, we request reporting any discrepancies promptly to McGriff or directly to the insurance carrier in order for the discrepancy to be addressed immediately.

Confidentiality Statement

Confidentiality of Client Information is critically important to McGriff. All client information provided to McGriff will be shared only to the extent needed within our firm and with the appropriate insurance carriers, wholesale brokers and intermediaries. No information will be divulged to any other source without our clients prior written consent, except as required by law.

Furthermore, all information provided by McGriff is considered proprietary information and should not be shared with anyone without our prior written consent.

Disclaimer

The rates and benefits shown in this proposal are for an illustrative comparison only. Please refer to the carrier's certificate of coverage or policy for a complete description of benefits, exclusions, and limitations. In the event of a discrepancy, the carrier's contract will always govern. Rates shown are not final until final underwriting is approved by the carrier.

Client References

As another way to further protect the confidentiality of our clients' information, references will be provided to you on request.

Third-Party Referral Disclaimer

From time to time, McGriff may share opinions or content regarding third parties, or make referrals to third party products and services ("Third Party Services"). Any Third-Party Services, or links to third party sites shared or posted on McGriff website or social media sites do not constitute an endorsement of any individual, organization, service, or product by McGriff, nor does such activity indicate an affiliation with or sponsorship of the third party by McGriff. Any third-party claims regarding their products or services contained in their written materials or on the third-party websites are those of the respective authors and do not reflect the affirmation, concurrence or agreement, of McGriff, its employees, directors, officers, parents, or affiliates that those claims are accurate.

MCGRUFF IS NOT LIABLE FOR ANY THIRD-PARTY SERVICES OR THE STORAGE OR BREACH OF YOUR CONFIDENTIAL INFORMATION RELATED TO SUCH THIRD-PARTY SERVICES. WE ARE NOT RESPONSIBLE FOR AND DO NOT OFFER ANY WARRANTY REGARDING THE QUALITY, ACCURACY, TIMELINESS, RELIABILITY OR ANY OTHER ASPECTS OF PRODUCTS OR SERVICES FROM THIRD PARTIES. YOU RELEASE US FROM ANY DAMAGES THAT YOU INCUR AND AGREE NOT TO ASSERT ANY CLAIMS AGAINST US ARISING FROM YOUR USE OF PRODUCTS OR SERVICES FROM THIRD PARTIES.

Disclaimer

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- The presentation is representative of the services provided by McGriff or any affiliates.
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- New guidance may have an impact as well on governing benefits legislation such as ERISA and the compliance services our affiliates provide.
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- Employee benefit, retirement plan, health care insurance and compliance decisions should be made only after thorough and careful consideration and in the case of clients, only after discussion with clients' own counsel, including tax counsel, or tax or other advisors.
- Compliance decisions are the sole responsibility and obligation of the client.

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CITY OF GATESVILLE, TEXAS

RESOLUTION NO. 2025-104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS AUTHORIZING THE CITY MANAGER TO RENEW THE EMPLOYEE HEALTH INSURANCE TO BAYLOR SCOTT AND WHITE, EFFECTIVE JANUARY 1, 2026; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City Administration has worked with McGriff to negotiate a renewal for the City Employee Medical Insurance benefit plan, resulting in a reasonable offer by Baylor Scott and White (BSW) a of a 7.28% premium increase with no plan design changes, and finds that the proposal provides the most advantageous benefits to the City and its employees; and

WHEREAS, the City Council of the City of GATESVILLE concurs in the above findings and finds it to be in the public interest to renew the contract for employee health insurance with BSW.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS:

SECTION 1. The City Manager or his/her designee is hereby authorized to negotiate an extension of the employee health insurance to BSW, and sign the necessary contract documents, and take such additional actions reasonable and necessary to comply with the intent of this resolution.

SECTION 2. This Resolution shall take effect immediately upon final approval and upon passage of the City's 2025/2026 fiscal year budget.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS THIS THE 14th DAY OF OCTOBER, 2025.

APPROVED:

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Victoria Thomas, City Attorney



Date 10/14/2025

Agenda Item 4f

Resolution 2025-105

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Mike Halsema, Deputy City Manager

Agenda Item: Consider a Resolution approving an Interlocal Agreement with the City of Cedar Hill.

Information:

The City of Cedar Hill contacted staff regarding completing an Interlocal Agreement (ILA) with the City of Gatesville. Specifically, they were interested in participating in the recent water and sewer supply agreement the City signed with Pioneer Supply. Chapter 791 of the Texas Government Code and Chapter 271.102 of the Texas Local Government code authorize local governments to contract with each other to perform governmental functions or services including administrative functions normally associated with the operation of government such as purchasing of necessary equipment, supplies and services. The City of Cedar Hill has approved the attached ILA Resolution. The ILA also allows the City to participate in any contracts that Cedar Hill has as well.

Staff Recommendation:

Staff recommends approving the ILA with the City of Cedar Hill.

Motion:

I motion to approve an Interlocal Agreement with the City of Cedar Hill.

Attachments:

- Interlocal Agreement

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Gatesville, Texas, this the ____ day of _____, _____, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

Gary Chumley, Mayor

Date 10/14/2025

Agenda Item 4f

Resolution 2025-105

ATTEST:

Holly Owens, City Secretary

**MASTER INTERLOCAL COOPERATIVE PURCHASING AGREEMENT
BETWEEN THE CITY OF CEDAR HILL
AND CITY OF GATESVILLE**

WHEREAS, Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act, and Chapter 271.102 of the Texas Local Government Code authorize all local governments to contract with each other to perform governmental functions or services including administrative functions normally associated with the operation of government such as purchasing of necessary equipment, supplies and services;

WHEREAS, The City of Cedar Hill (“City”) and City of Gatesville (“Gatesville”) desire to enter into this Agreement for the purpose of fulfilling and implementing their respective public and governmental purposes, needs, objectives, programs and services;

WHEREAS, City and Gatesville represent that each are independently authorized to perform the functions or services contemplated by this Agreement;

WHEREAS, it is deemed in the best interest of all participating governments that said governments do enter into a mutually satisfactory agreement for the purchase of necessary equipment, supplies, and services;

WHEREAS, the participating governments are of the opinion that cooperation in the purchasing of equipment, supplies, services and auctions will be beneficial to the taxpayers of the governments through the efficiencies and potential savings to be realized; and

WHEREAS, each party has sufficient resources to perform the functions contemplated by this Agreement;

NOW THEREFORE, the parties hereto, in consideration of the mutual covenants and conditions contained herein, promise and agree as to each of the other as follows:

1. City and Gatesville are authorized to participate in each other’s current and/or future contracts for goods and services. Said contracts shall have been established in accordance with all appropriate procedures governing competitive bids and competitive proposals, if required.
2. City and Gatesville agree that the ordering of goods and services is the responsibility of the local government seeking to obtain such goods and services under the established contract, and that participating government shall deal directly with the vendor in obtaining the goods and services and payment, therefore. The participating government shall be liable to the vendor only for goods and services ordered and received by it, and shall not, by the execution of this Agreement, assume any additional liability. Neither City nor Gatesville warrants, or is responsible for, the quality or delivery of goods or services from the vendor under contract. Should a dispute arise between a participating government and a vendor, the same shall be handled by and between that participating government and the vendor.

3. Each government shall pay invoices directly to the providers of goods and services that are invoiced and delivered directly to each respective government.
4. Participation of either government in any cooperative purchasing activity is strictly voluntary. Nothing in this Agreement shall prevent either government from purchasing and/or accepting and awarding bids, proposals and contracts subject to this Agreement on its own behalf.
5. Each government shall ensure that all applicable laws and ordinances have been satisfied.
6. **Effective Date and Term.** This Agreement shall be effective when the last party signing causes the Agreement to be fully executed and will remain in full force and effect indefinitely. Any party may modify and/or terminate this Agreement in accordance with Paragraphs 7 and 8, respectively.
7. **Modification.** The terms and conditions of this Agreement may be modified upon the mutual consent of all parties. Mutual consent will be demonstrated by approval of the governing body of each party hereto. No modification to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of all parties.
8. **Termination.** This Agreement may be terminated at any time by City or Gatesville, with or without cause, upon thirty (30) days written notice to the other party in accordance with Paragraph 11 herein.
9. **Hold Harmless.** To the extent allowed by law, City and Gatesville agree to hold each other harmless from and against any and all claims, losses, damages, causes of action, suits and liabilities of every kind, including all expenses of litigation, court costs and attorney's fees, for injury or death of any person, for damage to any property, or for any breach of contract, arising out of or in connection with the work done under this Agreement.
10. **Invalidity.** If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable by a court or other tribunal of competent jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties shall use their best efforts to replace the respective provision or provisions of this Agreement with legal terms and conditions approximating the original intent of the parties.
11. **Written Notice.** Unless otherwise specified, written notice shall be deemed to have been duly served if delivered in person, sent by email, by fax with successful send confirmation, or by certified mail to the last business address as listed herein.

City of Cedar Hill:

City of Cedar Hill
Attn: City Manager
285 Uptown Blvd
Cedar Hill, TX 75104
Phone: 972-291-5100

City of Gatesville:

City of Gatesville
Attn: City Manager
803 E. Main Street
Phone: 254-865-8951

12. **Entire Agreement.** It is understood that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between the parties relating to the subject matter. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally. No verbal agreement or conversation with any officer, agent, or employee of any party before or after the execution of this Agreement shall affect or modify any of the terms or obligations hereunder.
13. **Amendment.** No Amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.
14. **Texas Law.** This Agreement has been made under and shall be governed by the laws of the State of Texas.
15. **Place of Performance.** Performance and all matters related thereto shall be in the County of the government originating the bid.
16. **Authority to Enter Contract.** Each party has the full power and authority to enter into and perform this Agreement and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective Government.
17. **Waiver.** Failure of any party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in anyway affect the validity of this Agreement, any part hereof, or the right of either party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived, or breach excused unless the waiver shall be in writing and signed by the party claimed to have

waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

18. **Agreement Read.** The parties acknowledge that they understand and intend to be bound by the terms and conditions of this Agreement.
19. **Multiple Originals.** It is understood and agreed that this Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes.

(signature pages to follow)

CITY OF CEDAR HILL

BY: _____
Name: Stephen Mason _____
Title: __Mayor_____

DATE: _____

ATTEST: _____

Stephen Mason, Mayor

"Print Name and Title"

DATE: _____

APPROVED TO FORM

BY: _____
City Attorney

CITY OF GATESVILLE

BY: _____
Bradford Hunt, City Manager

DATE: _____

ATTEST: _____

"Print Name and Title"

DATE: _____

BY: _____
Victoria Thomas, City Attorney



Date 10/14/2025

Agenda Item 4g

Resolution 2025-106

CITY COUNCIL MEMORANDUM FOR RESOLUTION

October 14, 2025

To: Mayor & Council

From: Bradford Hunt, City Manager

Agenda Item: Discussion and Possible Action Regarding Amending City Manager's Contract

Information:

The one-year anniversary of my full appointment as City Manager occurred September 4, 2025. I request my contract be amended to reflect a COLA adjustment in pay, at the rate of 4.5% over current base pay. This is 0.5% below the 5% COLA approved as a minimum pay adjustment in the FY 2025-2026 Budget for all other City of Gatesville employees.

Financial Impact:

The Administration Salary line item in the FY 25-26 Budget would increase by \$6,165.43.

Motion:

I move to approve **Resolution 2025-106**, authorizing the amendment of the city manager's contract to reflect a pay adjustment of an additional 4.5% over current base pay, effective this regular pay period for City of Gatesville employees.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Gatesville, Texas, this the ____ day of _____, _____, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary



Date 10/14/2025

Agenda Item 5

Ordinance 2025-20

CITY COUNCIL MEMORANDUM FOR ORDINANCE

To: Mayor & Council

From: Mike Halsema, Deputy City Manager

Agenda Item: Discussion and Possible Action regarding repealing and replacing Chapter 18 (Fees), Section 18-1 (Fee Schedule) of the City of Gatesville Code of Ordinances

Information:

This fee schedule amendment is to only consider the water and sewer rates. The remaining fee schedule was approved with the third reading held on September 9, 2025.

Staff Recommendation:

The staff recommends passing **Ordinance 2025-20** to consider repealing and replacing Chapter 18 (Fees), Section 18-1 (Fee Schedule) of the City of Gatesville Code of Ordinances.

Motion: Motion to pass **Ordinance 2025-20** to consider repealing and replacing Chapter 18. "Fees", Section 18-1. "Fee Schedule" of the Code of Ordinances of the City of Gatesville, **second reading**.

Attachments:

- Draft Ordinance 2025-20

Solid Waste					Proposed						
Monthly service charge for garbage, refuse, trash and recycling	\$23.55				\$23.55						
collection and disposal for a family unit (any one family residence or apartment, or any other single-family dwelling)											
Monthly service charges for garbage, refuse, trash and rubbish collection and disposal for multi-dwelling owners and mobile home park owners who pay the garbage and trash collection charges for their tenants	\$23.55 times the number of apartments or mobile home spaces				\$23.55 times the number of apartments or mobile home spaces						
Monthly service charges for small commercial customers with 96 gallon carts, per cart	\$27.06				\$27.06						
Residential extra cart	\$5.35				\$5.35						
Monthly service charge for commercial customers who do use dumpsters	See table below				See table below						
<u>Dumpster Rate Schedule</u>											
<i>Size of dumpster</i>	<i>Number of Garbage Pickups</i>										
1	2	3	4	5	1	2	3	4	5		
2 yd	\$98.87	\$141.38	\$205.00	\$246.02	\$275.55	2 yd	\$98.87	\$141.38	\$205.00	\$246.02	\$275.55
3 yd	\$115.24	\$211.21	\$317.03	\$374.66	\$437.53	3 yd	\$115.24	\$211.21	\$317.03	\$374.66	\$437.53
4 yd	\$162.13	\$251.30	\$341.75	\$434.00	\$520.87	4 yd	\$162.13	\$251.30	\$341.75	\$434.00	\$520.87
6 yd	\$200.10	\$360.32	\$546.39	\$646.48	\$799.74	6 yd	\$200.10	\$360.32	\$546.39	\$646.48	\$799.74
8 yd	\$260.95	\$432.13	\$646.48	\$801.97	\$953.39	8 yd	\$260.95	\$432.13	\$646.48	\$801.97	\$953.39
Commercial unit unusual accumulation/overage charge \$150 per dumpster overage											
Lock bar monthly	\$10.70				\$10.70						
Casters Monthly	\$10.70				\$10.70						
Snapshot charge	\$150.00				\$150.00						
Water and Sewer Utilities											
Deposit for water \$50, sewer \$50, and curbside garbage \$50 service to a residence, if all services provided totaling \$150. Deposits may be waived for new customers pending confirmation of 12 months of uninterrupted service and no late fees with another utility. Deposits may also be waived or refunded if customer elects auto-draft a minimum of 12 months through the City's utility billing department. Deposits will be credited to customer's account pending 12 months of uninterrupted service and no late fees after the 12 th consecutive month.	\$150				\$150						
Deposit for water and/or sewer service for commercial customers and other non-residential customers	Determined individually, minimum of \$50 for water and \$50 for sewer				Determined individually, minimum of \$50 for water and \$50 for sewer						
Bulk construction (fire plug) meter deposit	Determined by current replacement meter cost				Determined by current replacement meter cost						
Tap and connection charges											
Water Connections or Taps:											
	<i>Tap</i>	<i>Mtr/Box</i>	<i>Meter</i>	<i>Per Foot Charge</i>		<i>Tap</i>	<i>Mtr/Box</i>	<i>Meter</i>	<i>Per Foot Charge</i>		
¾" meter	\$1,546.25	\$433	\$398	\$31.88		\$1,546.25	\$433	\$398	\$31.88		
1" meter	\$1,671.85	\$545	\$510	\$32.18		\$1,671.85	\$545	\$510	\$32.18		
1½" meter	\$2,207.22	\$1,084	\$1,014	\$33.88		\$2,207.22	\$1,084	\$1,014	\$33.88		
2" meter	\$2,315.60	\$1,270	\$1,200	\$34.75		\$2,315.60	\$1,270	\$1,200	\$34.75		
Sewer connections or taps:	Standard tap fee covers up to 40 feet. If the tap requires more than 40 feet of material the customer will be charged for each additional foot.				Standard tap fee covers up to 40 feet. If the tap requires more than 40 feet of material the customer will be charged for each additional foot.						

The minimum charge shall apply to up to four-inch taps only. The additional cost of larger taps shall be paid by the customer.	Minimum charge of \$1,767 for connection taps, plus front footage.	Minimum charge of \$1,767 for connection taps, plus front footage.	
A sewer tap shall include all the cost of tapping, cost of sewer pipe, wyes and other materials needed to extend service to the nearest property or easement line, and the cost of street repairing whenever required.	Per foot Charge \$43.18	Per foot Charge \$43.18	
Exception: For sewers in business areas, or where deep-cut connections are involved, estimates of cost will be furnished upon request. Such estimated cost must be deposited with the city before work is done.	Standard tap fee covers up to 40 feet. If the tap requires more than 40 feet of material the customer will be charged for each additional foot	Standard tap fee covers up to 40 feet. If the tap requires more than 40 feet of material the customer will be charged for each additional foot	
Monthly Water and Sewer Rates UNDER DISCUSSION			
RESIDENTIAL INSIDE WATER RATES			
Base monthly charge			
3/4	\$24.21	\$35.27	
1	\$30.67	\$51.73	
1 1/2	\$46.81	\$92.88	
2	\$66.17	\$142.25	
NEW CONST.	\$24.21	\$35.27	
PER 1,000 GAL			
0-5K	\$3.34	\$4.87	
6K-15K	\$3.67	\$5.72	
16K-30K	\$4.07	\$6.75	
31K PLUS	\$4.45	\$7.90	
RESIDENTIAL OUTSIDE WATER RATES			
Base monthly charge			
3/4	\$36.32	\$52.91	
1	\$46.01	\$77.61	
1 1/2	\$70.22	\$139.33	
2	\$99.26	\$213.39	
NEW CONST.	\$36.32	\$52.91	
PER 1,000 GAL			
0-5K	\$5.01	\$7.31	
6K-15K	\$5.51	\$8.58	
16K-30K	\$6.11	\$10.12	
31K PLUS	\$6.68	\$11.86	
COMMERCIAL INSIDE WATER RATES			
Base monthly charge			
3/4	\$22.27	\$32.44	
1	\$35.34	\$52.77	
1 1/2	\$68.00	\$103.59	
2	\$107.19	\$164.58	
3	\$198.65	\$306.88	
4	\$329.30	\$510.17	

PER 1,000 GAL	\$3.34	\$4.87	
CORYELL COUNTY PER Kgal	\$3.00	\$4.87	
COMMERCIAL OUTSIDE WATER RATE			
Base monthly charge			
3/4	\$33.41	\$48.67	
1	\$53.01	\$79.16	
1 1/2	\$102.00	\$155.39	
2	\$160.79	\$246.87	
3	\$297.98	\$460.33	
4	\$493.95	\$765.26	
PER 1,000 GAL	\$5.01	\$7.31	
SPRINKLER INSIDE WATER RATES			
Base monthly charge			
3/4	\$11.13	\$16.21	
1	\$17.66	\$26.37	
1 1/2	\$33.99	\$51.77	
2	\$53.57	\$82.24	
3	\$99.28	\$153.35	
PER 1,000 GAL			
0-5K	\$3.34	\$4.87	
6K-15K	\$3.67	\$5.72	
16K-30K	\$4.07	\$6.75	
31K PLUS	\$4.45	\$7.90	
SPRINKLERS OUTSIDE WATER RATE			
Base monthly charge			
3/4	\$16.70	\$24.32	
1	\$26.49	\$39.55	
1 1/2	\$50.98	\$77.65	
2	\$80.37	\$123.38	
3	\$148.92	\$230.02	
PER 1,000 GAL			
0-5K	\$5.01	\$7.31	
6K-15K	\$5.51	\$8.58	
16K-30K	\$6.11	\$10.12	
31K PLUS	\$6.68	\$11.86	
STOCK WATER INSIDE WATER RATES			
Base monthly charge			

3/4	\$11.13	\$16.21	
1	\$17.66	\$26.37	
1 1/2	\$33.99	\$51.77	
2	\$53.57	\$82.24	
3	\$99.28	\$153.35	
PER 1,000 GAL	\$3.34	\$4.87	
STOCK WATER OUTSIDE WATER RATE			
Base monthly charge			
3/4	\$16.70	\$24.32	
1	\$26.49	\$39.55	
1 1/2	\$50.98	\$77.65	
2	\$80.37	\$123.38	
3	\$148.92	\$230.02	
PER 1,000 GAL	\$5.01	\$7.31	
NEW CONSTRUCTION INSIDE			
Base monthly charge (ALL)	\$24.75	\$36.06	
PER 1,000 GAL	\$3.34	\$4.87	
NEW CONSTRUCTION OUTSIDE			
Base monthly charge (ALL)	\$37.13	\$54.10	
PER 1,000 GAL	\$5.01	\$7.31	
BULK CONSTRUCTION			
Base monthly charge			
2"	\$107.19	\$164.58	
PER 1,000 GAL	\$3.34	\$4.87	
TDCJ			
Base monthly charge			
2	\$107.19	\$164.58	
6	\$655.92	\$1,018.40	
10	\$1,505.16	\$2,339.79	
PER 1,000 GAL	\$3.34	\$4.87	
WORSHIP CENTER INSIDE			
Base monthly charge (ALL)	\$20.00	\$29.14	
PER 1,000 GAL			
0-5K	\$3.34	\$4.87	
6K-15K	\$3.67	\$5.72	

16K-30K	\$4.07	\$6.75	
31K PLUS	\$4.45	\$7.90	
WORSHIP CENTER OUTSIDE			
Base monthly charge (ALL)	\$30.00	\$43.71	
PER 1,000 GAL			
0-5K	\$5.01	\$7.31	
6K-15K	\$5.51	\$8.59	
16K-30K	\$6.11	\$10.13	
31K PLUS	\$6.68	\$11.87	
RESIDENTIAL SEWER RATES			
Base monthly charge	\$11.13	\$16.21	
PER 1,000 GAL	\$4.00	\$5.83	
Residential customer bills are based on the customer’s average metered monthly water use during the months of December, January, and February. New customer’s volumetric rate will be based on a city wide average of 6,000 gallons per month until a winter average is established.			
COMMERCIAL SEWER RATES			
Base monthly charge	\$11.13	\$16.21	
PER 1,000 GAL	\$4.00	\$5.83	
Commercial customer bills are based on 100% of monthly metered water usage.			
TDCJ			
Base monthly charge	\$381.93	\$567.65	
PER 1,000 GAL	\$2.95	\$4.39	
TDCJ bills are based on 100% of monthly metered sewer flows.			
Admin fee for each time the city turns off water service for non-payment of the water account	\$35.00	\$35.00	
Connect fee for each time the city turns on water service or opens a new account for any water customer	\$22.00	\$22.00	
Transfer fee for each time an existing customer transfers water service from one house to another house	\$22.00	\$22.00	
Minimum charge for when water is turned on for as much as ten days of a billing period, even when there is no water consumption	\$24.21	\$24.21	
Rate schedule for the monitored group class, consisting of customers whose wastewater strength is abnormally high (this schedule replaces all charges previously made for industrial strength waste)			
See information and formula below			
MONITORED GROUP			

Volume charge \$5.96 per 1,000 gal.			
BOD and SS surcharge (according to the following formula):			
$S = C (BOD - 200) + (SS - 220) (8.345)(V)$			
Where:			
S = Surcharge to user in dollars to be added to monthly billing for sewer.			
C = Unit cost of treatment at \$/lb.			
V = Monthly volume of wastewater discharged by monitored customer.			
BOD = BOD strength index in mg/l.			
200 = Normal BOD strength in mg/l.			
SS = Suspended solids strength index in mg/l.			
220 = Normal suspended solids strength in mg/l.			
8.345 = Factor converting mg/l to pounds/gallons.			
Monitoring charge (testing) Total cost to the city			
The monitoring charge shall consist of all cost for personnel, material and equipment used to collect and analyze samples from customers' wastewater to determine the strength of the wastewater produced.			
Service charge for bills for water or sewer service not paid on or before the 15th day of the month they become payable	10% of bill	10% of bill	
Admin fee for water and/or sewer service turned off due to delinquent bills	\$35	\$35	
Rate for connection to the water or sewer lines or mains which are installed at the city's expense, if the water line or main is already in the ground on the lot or tract tow which water connections may be made	12" main- \$49.57/ Front Foot 10" main- \$35.27/Front Foot 8" main- \$22.76/Front Foot 6" main- \$16.22/Front Foot	12" main- \$49.57/ Front Foot 10" main- \$35.27/Front Foot 8" main- \$22.76/Front Foot minimum 6" main- \$16.22/Front Foot	
Rate for connection to the water or sewer lines or mains which are installed at the city's expense, if the sewer line or main is already in the ground on the lot or tract to which sewer connections may be made	12" main- \$28.37/Front Foot 10" main- \$19.64/Front Foot 8" pvc- \$17.06/Front Foot 6" pvc- \$11.98/Front Foot	12" main- \$28.37/Front Foot 10" main- \$19.64/Front Foot 8" pvc- \$17.06/Front Foot minimum 6" pvc- \$11.98/Front Foot	
Fee for extending the water main up to the applicant's property line plus the entire right of way length of the applicant's property. If line size is bigger than 8" main fee will be determined upon request.	8" pvc- \$100.00/Linear Foot 6" pvc- \$80.00/Linear Foot	8" pvc- \$100.00/Linear Foot minimum 6" pvc- \$80.00/Linear Foot	
Fee for extending the sewer main up to the applicant's property line plus the entire right of way length of the applicant's property.	Fee determined upon request	Fee determined upon request	
Charge for the city to cause a renewal field test for backflow prevention assemblies to be done when the customer fails to obtain a renewal field test	Fee to be as determined by the city from time to time to cover its costs for such service		
Late fee for construction/ fire plug meters if photo reading not submitted by the 25th of each month		\$25	
Water meter inaccessibility fee for clearing obstructions		\$50	
Water meter tampering and / or unauthorized usage fee		\$100 per instance plus gallons consumed	

Drought contingency			
Surcharge for residential water customers for the first 1,000 gallons over allocation	\$4.00	\$4.00	
Surcharge for residential water customers for the second 1,000 gallons over allocation	\$4.50	\$4.50	
Surcharge for residential water customers for the third 1,000 gallons over allocation	\$5.00	\$5.00	
Surcharge for residential water customers for each additional 1,000 gallons over allocation after 3,000 gallons	\$6.00	\$6.00	
Surcharge for master-metered multifamily residential customers for 1,000 gallons over allocation during drought up through 1,000 gallons for each dwelling unit	\$4.00	\$4.00	
Surcharge for master-metered multifamily residential customers for each additional 1,000 gallons over allocation during drought up through a second 1,000 gallons for each dwelling unit	\$4.50	\$4.50	
Surcharge for master-metered multifamily residential customers for each additional 1,000 gallons over allocation during drought up through a third 1,000 gallons for each dwelling unit	\$5.00	\$5.00	
Surcharge for master-metered multifamily residential customers for each additional 1,000 gallons over allocation during drought after 3,000 gallons over allocation	\$6.00	\$6.00	
Surcharge for nonresidential customers whose allocation during drought is 2,000 gallons through 10,000 gallons per month for the first 1,000 gallons over allocation	\$4.50 per 1,000 gallons	\$4.50 per 1,000 gallons	
Surcharge for nonresidential customers whose allocation during drought is 20,000 gallons per month or more for each 1,000 gallons in excess of allocation up through five percent above allocation	Two times the block rate	Two times the block rate	
Surcharge for nonresidential customers whose allocation during drought is 20,000 gallons per month or more for each 1,000 gallons in excess of allocation from five percent above allocation through ten percent above allocation	Three times the block rate	Three times the block rate	
Surcharge for nonresidential customers whose allocation during drought is 20,000 gallons per month or more for each 1,000 gallons in excess of allocation from ten percent above allocation through 15 percent above allocation	Four times the block rate	Four times the block rate	
Surcharge for nonresidential customers whose allocation during drought is 20,000 gallons per month or more for each 1,000 gallons in excess of allocation more than 15 percent above allocation	Five times the block rate	Five times the block rate	

Public Information re: Water Rates

October 1, 2025

City Manager Brad Hunt

Summarized Data from City Council & Other
Presentations, August to September 2025

(pictured: City of Gatesville raw water intake building on
Lake Belton, Sept. 2025)

Why this is Being Proposed Now

- A Water Production Master Plan and Long-Term Capital Improvement Plan (CIP) was completed by City of Gatesville contracted engineers, Freese & Nichols, in 2024.
- A Water Rate Study was completed by City of Gatesville contractor “NewGen Solutions” in late 2025, after approximately 9 months of gathering data.
- The plan for water rate increases is based on the 5-year CIP, and has been discussed in two meetings with regional Water Supply Corporations, three City Council Meetings (including a topic-specific workshop on Sept. 18), with the Gatesville Messenger (front page story on Sept. 20), and with others in the community.
- Significant failures/interruptions in water delivery, or significant overflows, interruptions, or emissions in wastewater processing can result in:
 - Injuries to, and general safety concerns for, our employees.
 - Loss of vital services to communities, both within the city and throughout all the regional water supply corporations.
 - TCEQ violations.
 - Added short- or long-term costs.

Why This is Urgent

In short, we are on borrowed time.

- The Raw Water Intake & Water Treatment Plant were constructed in the mid-1980's
- Upkeep of these plants was sufficient through the next 38 years, but minimal large-scale modernization, electrical system improvement, or long-term planning took place in that time.
- **Our contract engineering firm, Freese & Nichols, Inc., confirmed in 2024 that many urgent needs exist regarding the condition and criticality of components that ensure our water supply.**
- All water production, water distribution, and wastewater processing Maintenance & Operations costs and Capital Improvement Projects relate to ensuring we maintain our CURRENT capacities – there is minimal consideration herein for expansion.

Freese & Nichols: Condition and Criticality Scoring Methodology

Condition Score	Description
0 - 20	New, perfect condition
21 - 40	Good condition, no improvements recommended to maintain function
41 - 60	Fair condition, improvements recommended to improve performance or efficiency
61 - 80	Poor condition, improvements recommended to maintain reliability
81 - 100	Imminent failure, rehabilitation or
Criticality Score	Description
0 - 29	Low Impact
30 - 49	Medium Impact
50 - 69	High Impact
70 - 100	Very High Impact

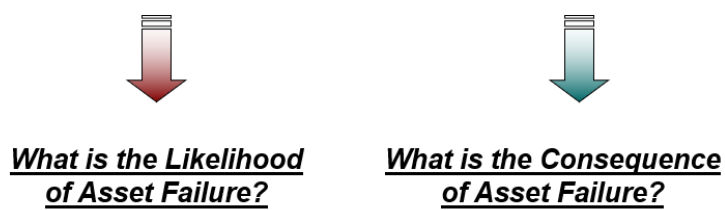
Criticality Scoring Criteria		
Parameter	Description	Weight
Capacity Affected	Based on percent of total facility capacity lost if component is offline or damaged	30%
Process Impact	Based on process effectiveness lost if component is offline or damaged	20%
Outage Duration	Based on foreseen outage duration considering response time, part availability and length of repair	15%
Health, Safety and Environmental	Based on likelihood of harm if component is offline or damaged	35%

Freese & Nichols: Risk Based Assessment Matrix with # of Projects/Tasks in Each Category

Developing Risk Scores

- Develop Component Categories
- Assign Weighting Factors
- Develop Scoring Criteria
- Conduct Assessments with Plant Staff
- Tabulate Overall Condition and Criticality Scores

Risk = f (Condition x Criticality)



		Condition					
		Very Good	Good	Fair	Poor	Very Poor	
Criticality	Low Impact	5	8	12	10	5	Total: 46
	Medium Impact	6	13	15	14	7	Total: 59
	High Impact	2	7	2	3	3	Total: 38
	Very High Impact	2	4	9	11	5	



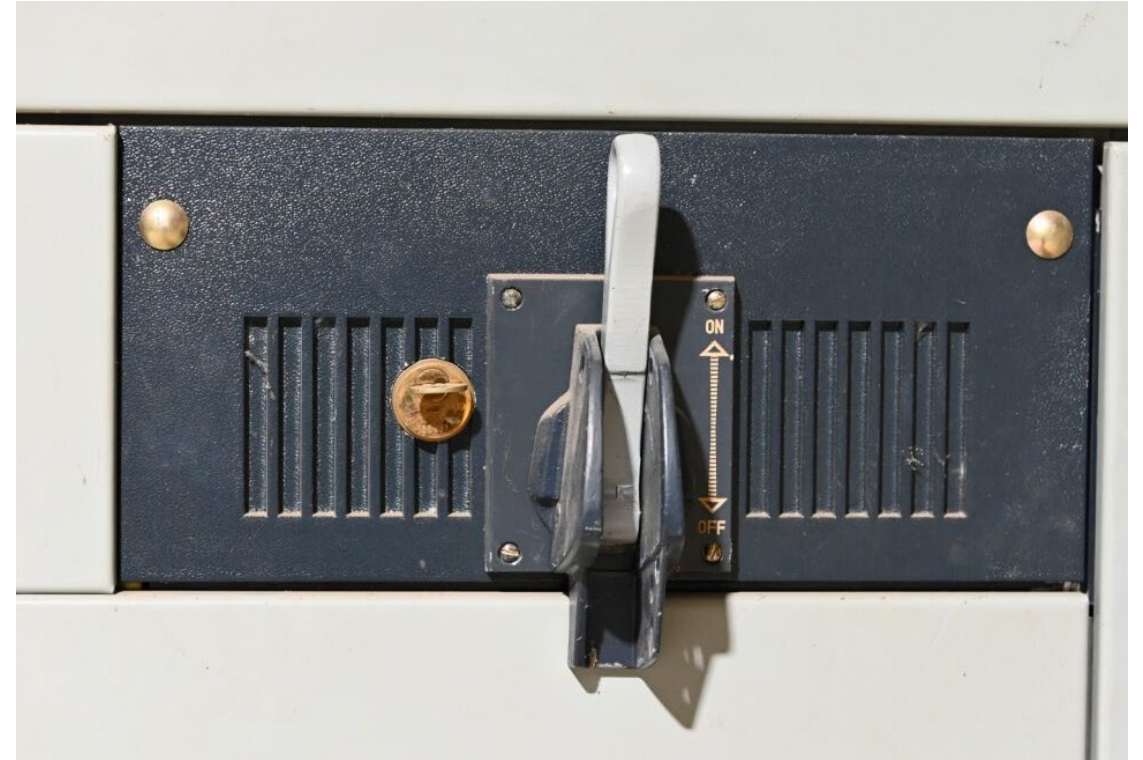
City of Gatesville

Water Intake & Production Plants: Current State

City Manager Brad Hunt
Public Works Director Chad Newman
Plant Superintendent Zeb Veazy
Librarian Shea Harp (photos)



Electrical Panel, Raw Water Intake Plant
Components circa 1987
Photo: September 2025



Pump Control Switch, Water Intake Plant
Component: circa 1987
Photo: September 2025

Notes: some components were installed in 1987 but were actually manufactured in the 1950s.

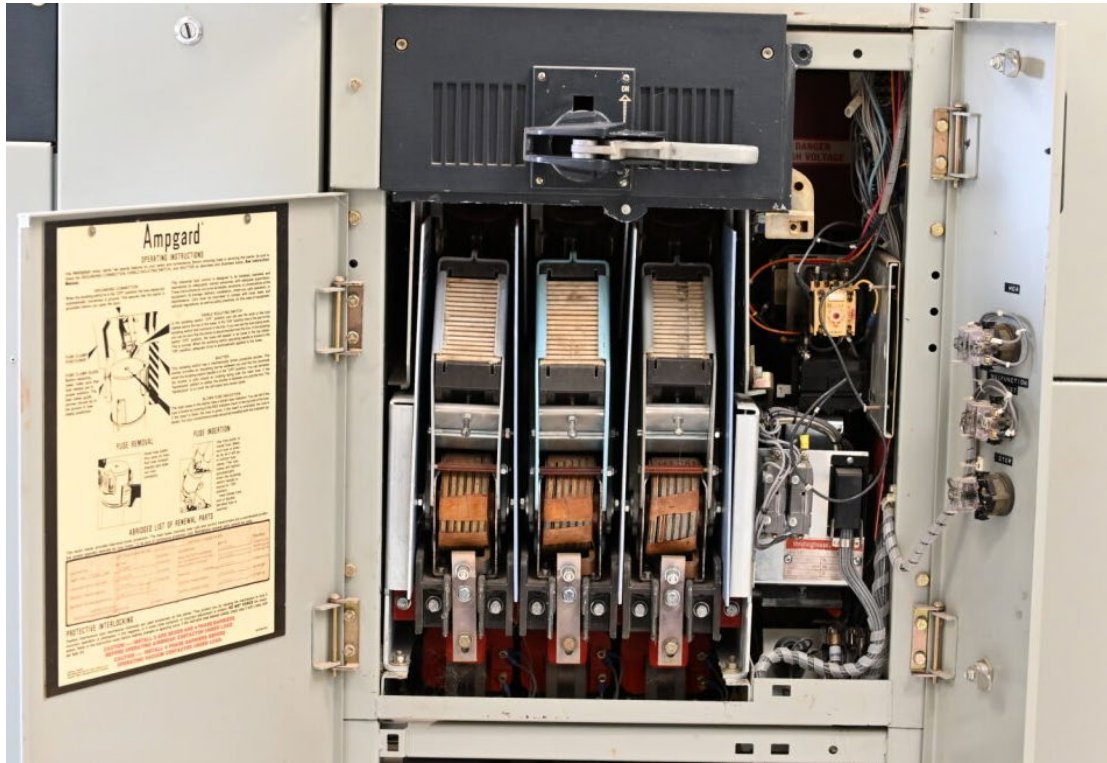


Electrical Panels, Raw Water Intake Plant

Components circa 1987

Photo: September 2025

Notes: there are only 1 or 2 electricians in this region of Texas who can or will work on these antiquated systems. ⁸

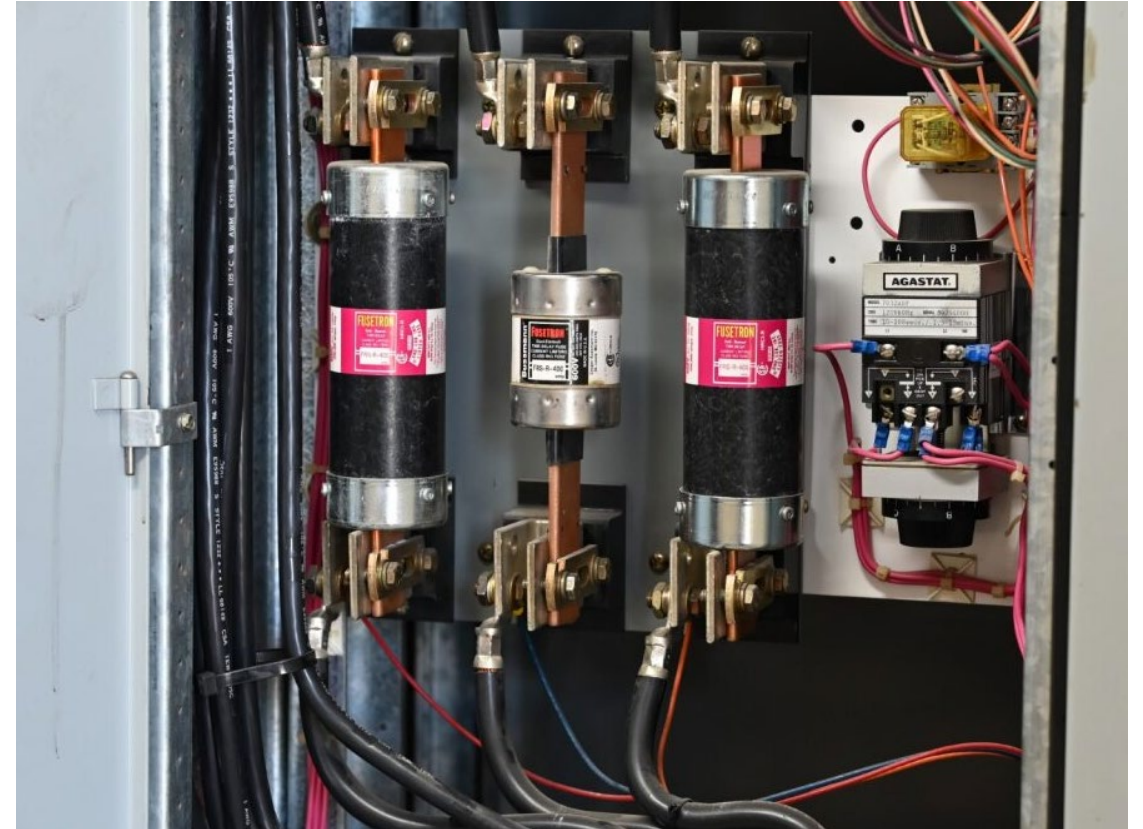
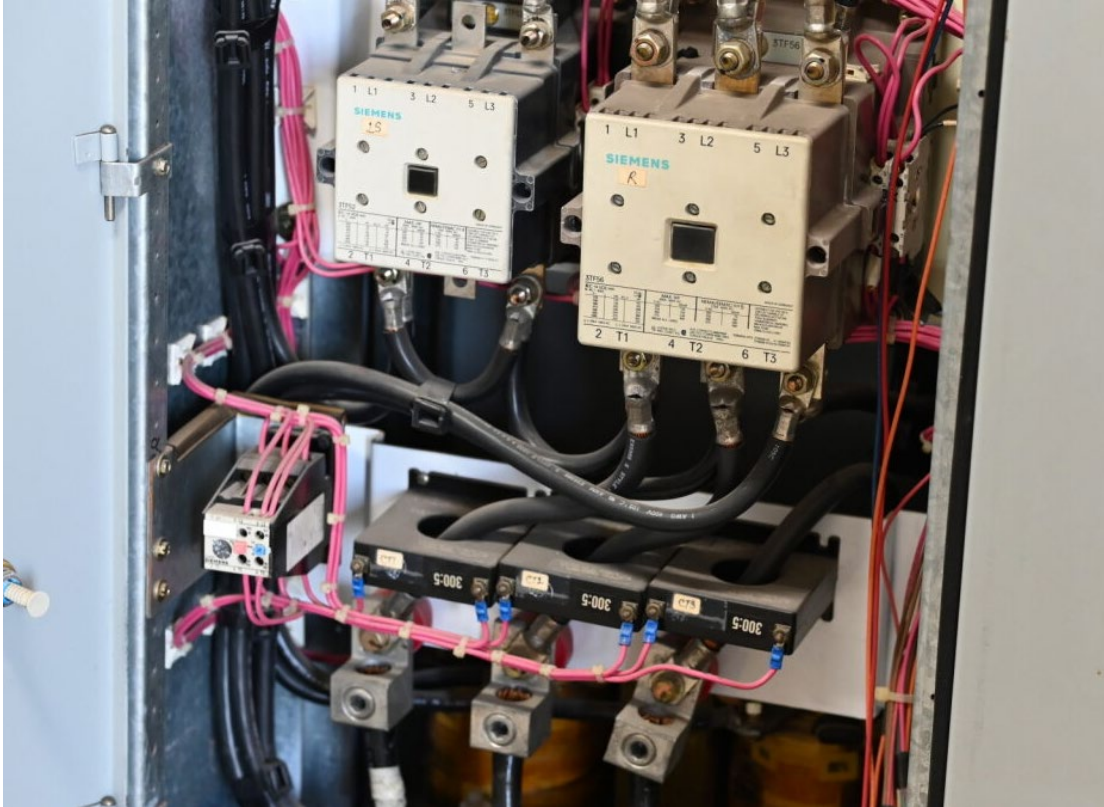


Electrical Panels, Raw Water Intake Plant

Components circa 1987

Photo: September 2025

Notes: many components have remained in place and without need for service for the past 38 years.



Electrical Panels, Raw Water Intake Plant

Components circa 1987

Photo: September 2025

Notes: components of this age are extremely difficult to source, which causes long delays when they do fail



On-Shore Building, Water Intake Plant
Building circa 1987
Photo: September 2025



Air Compressor (inoperable), Water Intake Plant
Component: circa 1994
Photo: September 2025

Notes: some components, such as this air compressor, have failed and staff has found other workarounds. 11



City of Gatesville

5-Year Water & Wastewater CIP

Based Upon:

- PW Director Chad Newman's OPCs
- FNI Water System Improvements Plan
- Staff Assessment of Priorities

Water 5-Year CIPs

(\$ Millions)	2026	2027	2028	2029	2030	Total
North Side Trunk Line Phase 2	\$ -	\$ -	\$ 0.85	\$ -	\$ -	\$ 0.85
North Side Trunk Line Phase 3	-	-	-	1.14	-	1.14
North Side Trunk Line Phase 4	-	-	-	-	0.81	0.81
D6 Project Booster PS7 Mechanical Recond	-	-	-	-	0.83	0.83
D10 Project Booster PS7 Electrical Recondi	1.07	-	-	-	-	1.07
D2 Project BPS Tank Reconditioning	0.29	-	-	-	-	0.29
D5 Project 23rd Street Facilities Reconditic	-	-	0.30	-	-	0.30
D11 Project Booster PS5	-	-	-	-	1.03	1.03
D12 Project System Wide Portable Genera	-	-	-	-	1.54	1.54
Raw Water Intake Electrical Improvements	12.00	-	-	-	-	12.00
South Mountain Tank Maintenance	-	0.23	-	-	-	0.23
Filter Media Replacement	1.02	-	-	-	-	1.02
Booster Pump Station 2 Improvements	-	1.59	-	-	-	1.59
Water Plant Electrical Equipment Replacer	10.71	-	-	-	-	10.71
Clarifier Blast and Recoat	0.17	-	-	-	-	0.17
WTP SCADA	-	-	0.77	-	-	0.77
Efluent Flow Meter Installation	-	-	0.01	-	-	0.01
Raw Water Intake Mechanical Improveme	-	-	0.34	-	-	0.34
Raw Water Intake Pumpcans Improvemen	-	-	0.49	-	-	0.49
Booster Pump Station 1 Electrical Improve	0.75	-	8.82	-	-	9.57
Booster Pump Station 1 Mechanical Improv	-	-	-	0.26	-	0.26
Water Plant Lagoons	-	-	-	6.47	-	6.47
Booster Pump Station 3 Reconditioning	-	-	-	4.27	-	4.27
Security System	-	-	-	-	0.05	0.05
Booster Pump Station 1 Conditioning	-	-	-	-	0.10	0.10
Tanks - Cleaning and Recoating	-	-	-	-	0.56	0.56
HVAC - Insulation - Demolition	-	-	-	-	0.33	0.33
Transmission Lines Condition Assesment	-	-	-	-	0.27	0.27
WTP HVAC Replacement	-	-	-	-	0.02	0.02
Total - Water CIP	\$ 26.01	\$ 1.82	\$ 11.57	\$ 12.14	\$ 5.53	\$ 57.08

Electrical component replacements proposed in 2026, at 3 key locations, all in the “red” category on recent assessment

Sewer 5-Year CIPs

(\$ Millions)	2026	2027	2028	2029	2030	Total
Existing Manhole Rehab	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.50
Brown Park Sewer main Relocate	0.54	-	-	-	-	0.54
SH 36 Gravity Main Replacement	0.55	-	-	-	-	0.55
Lakewood Reroute	-	-	-	-	-	-
Leon Plant West Trunk Line Phase 1	-	-	-	-	-	-
Intermediate Force Main Extension	1.92	-	-	-	-	1.92
Leon Plant West Trunk Line Phase 2	-	-	-	-	-	-
SH 36 Gravity Sewer Extension	-	-	1.02	-	-	1.02
Leon Plant West Trunk Line Phase 3	-	-	-	-	-	-
Leon Plant West Trunk Line Phase 4	-	-	-	-	-	-
Leon Plant West Trunk Line Phase 5	-	-	-	-	-	-
West Trunk Line Engineering Only	-	-	-	1.69	-	1.69
Stillhouse WWTP Phase 2	-	10.00	-	-	-	10.00
Vac Truck Storage	0.08	-	-	-	-	0.08
Leon Plant Sludge Thinner	0.87	-	-	-	-	0.87
Lakewood Lift Station	0.03	-	-	-	-	0.03
Leon Plant Bar Screen	-	0.70	-	-	-	0.70
Leon Plant Scada	-	0.80	-	-	-	0.80
Leon WWTP Upgrade	-	-	-	-	-	-
Lift Station Flow Meters	-	-	0.60	-	-	0.60
Stillhouse Office	-	-	0.12	-	-	0.12
Leon Plant Air Diffuser	-	-	-	-	1.87	1.87
Lift Station Odor Control	-	-	-	-	0.40	0.40
Lift Station Odor Control	-	-	-	-	0.40	0.40
Lift Station Odor Control	-	-	-	-	0.40	0.40
Total - Sewer CIP	\$ 4.09	\$ 11.60	\$ 1.84	\$ 1.79	\$ 3.17	\$ 22.48
TOTAL WATER & SEWER CIP	\$30.11	\$13.42	\$13.40	\$13.93	\$8.70	\$79.55

The 2026 Sewer projects are upgrades at existing problem areas.

The main 2027 project is Phase 2 of Stillhouse Wastewater Treatment Plant expansion, as required by TCEQ to be complete by 2029.

Proposed Water/Sewer Rates for City of Gatesville Customers Only

Based Upon:

- PW Director Chad Newman's OPCs
- FNI Water System Improvements Plan
- Staff Assessment of Priorities
- NewGen's Water Rate Study, Revised Sept. 2025

RETAIL KEY ISSUES

Financial Performance

- Without increases in customer rates, financial performance is projected to be insufficient beginning in FY 2026
 - Negative ending Fund Balance
 - No Reserve (25% Reserve Requirement)
 - Short of Debt Service Coverage Requirement of 1.25x
- Key driver is needed capital investment for necessary projects.
 - ~~\$81.5~~^{\$79.55} million in Capital Improvements anticipated to be needed over the next five years (reduced by ~~\$20M~~^{\$21M} from prior presentation)
- Not only are increases needed to support capital funding, but the City must also meet its financial metrics to support its overall costs and bond rating

KEY ISSUES RATE STRUCTURE

- Water Rate Structure is not reflective of industry standards:
 - Base (meter) charge not increasing based on American Water Works Association meter equivalency factors
- No proposed changes to Sewer Rate Structure
- Appropriate adjustments being made to wholesale in line with currently applicable contracts and their allocable cost of service
- Rate recommendations are subject to change based on Texas Water Development Board loan
- Recommended rate adjustments in October 2025

MONTHLY CUSTOMER BILL PROJECTION

Residential Inside ¾”

5,000 gallons



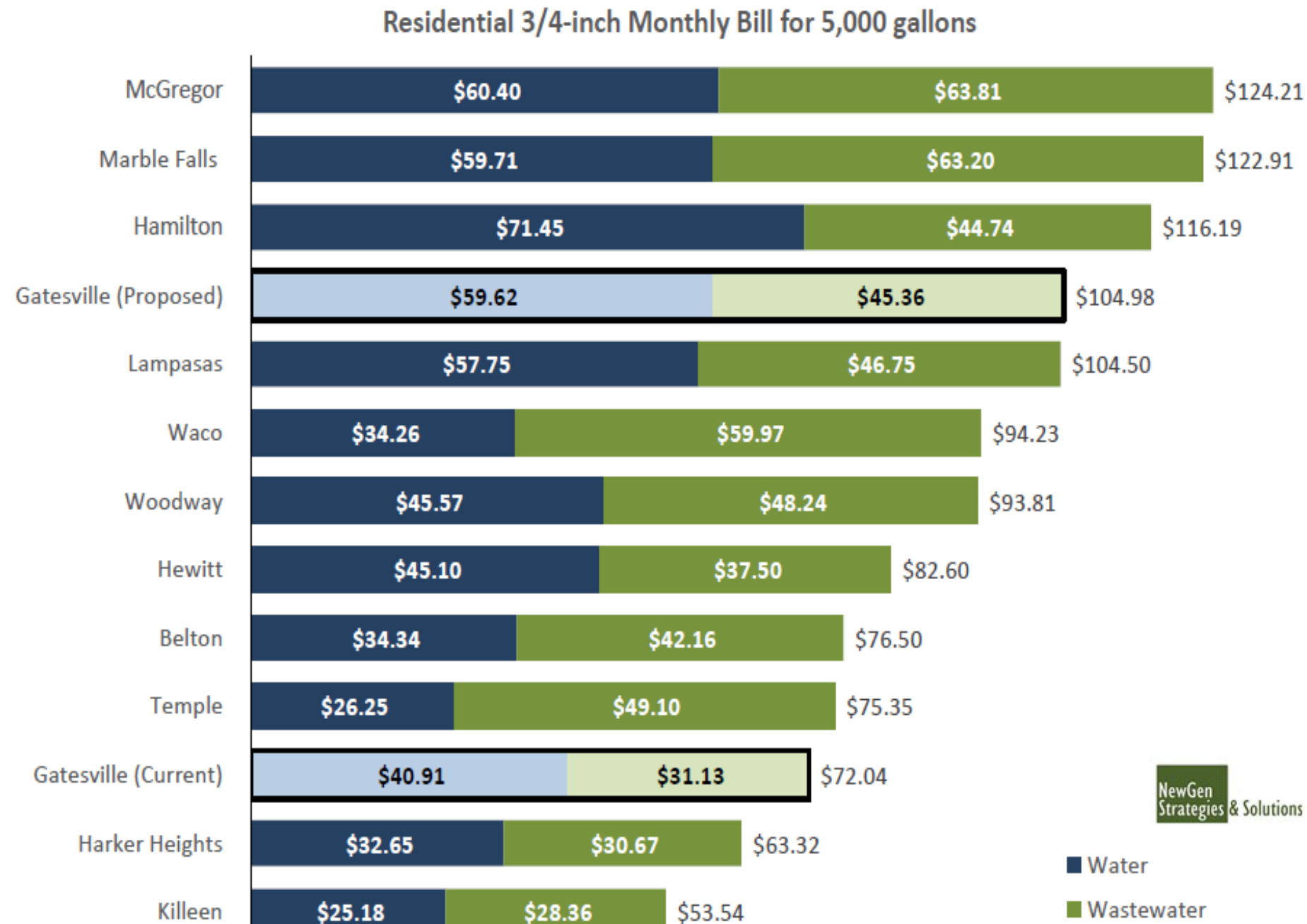
Note: all rates assume highest levels needed, and do not account for possible reductions via alternate source funding, such as grants. City staff and contractors continue to pursue alternate funding options to offset the customer rates listed here.

COMBINED REGIONAL BILL COMPARISON*

Residential ¾"
5,000 Gallons

*see notes next page

Bill Comparisons are based on
NewGen's interpretation of publicly
available data as of July 2025.



NewGen
Strategies & Solutions

Note: Lampasas assumes Urban rates

September 2025 Updates on Regional Rates

The proposed 2026 rates that will equate to the average customer's monthly bill of \$104.98 were compared with other regional suppliers on the previous page. However, since that comparison in July 2025, many regional suppliers are also implementing new rates.

◆ AI Overview

As of September 2025, the city of McGregor is proposing an **8% increase in water and wastewater rates** for the 2026 fiscal year. The new rates for 2026 have not yet been formally adopted, but the 8% increase is included in the proposed budget for fiscal year 2025-2026. [🔗](#)

For all other residential customers

The city of Marble Falls regularly adjusts its utility rates based on annual cost-of-service assessments. While the exact figures for 2026 have not been published, you can expect an incremental increase over the city's 2025 residential rates. [🔗](#)

◆ AI Overview

Official water rates for the City of Hamilton, Texas, were projected to remain steady in 2026 at **\$80.19 per month for the average residential user consuming 6,044 gallons**. This projection was reported to the Texas Water Development Board (TWDB) during a 2025 funding request. [🔗](#)

◆ AI Overview

Water rates for Lampasas in 2026 are not yet finalized, but a rate increase for water and wastewater is being considered. The Lampasas City Council discussed a potential increase of \$1 per 1,000 gallons for both water and wastewater during a budget workshop in August 2025. [🔗](#)

◆ AI Overview

Waco water rates in 2026 **will reflect a general increase across the utility services, with an \$11 monthly jump in total utility bills due to a new city budget**. The city has released a document showing proposed rates for the fiscal year 2025-2026, which includes an increase to the base rate and usage rates for water. [🔗](#)

◆ AI Overview

According to the Woodway 2025–2026 proposed budget, water and sewer rates will increase by 5% effective October 1, 2025. The city had previously considered a 5–10% tiered rate increase due to financial issues and high water usage. [🔗](#)

◆ AI Overview

No water rates for Hewitt, Texas, have been finalized for 2026, though a future increase is likely. The Hewitt City Council typically approves any changes to water and sewer rates as part of its annual budget process in the fall. An increase was planned for 2025, and a multi-year plan has included increases since 2021. [🔗](#)

◆ AI Overview

For Belton, Texas, water rates for 2026 are projected to remain at the same level as the 2025 fiscal year, which were approved in August 2024. For most residential customers, water is billed based on a tiered structure that includes a base rate and a volumetric charge per 1,000 gallons. [🔗](#)



Addendum: Proposed FY 2026 Retail* Rates

*City of Gatesville Customers Only

Projected Water Rates

FY	# of Connections	Current	2026
<u>Residential Water Inside</u>			
<i>Minimum Monthly Fee</i>			
3/4"	2,922	\$ 24.21	\$ 35.27
1"	88	30.67	51.73
1.5"	3	46.81	92.88
2"	8	66.17	142.25
<i>Volumetric Rates (per kGal.)</i>			
0-5,000 gal		\$ 3.34	\$ 4.87
5,000-15,000 gal		3.67	5.72
15,000-30,000 gal		4.07	6.75
30,000+ gal		4.45	7.90
<u>Residential Water Outside</u>			
<i>Minimum Monthly Fee</i>			
3/4"	253	\$ 36.32	\$ 52.91
1"	25	46.01	77.61
1.5"	1	70.22	139.33
2"	7	99.26	213.39
<i>Volumetric Rates (per kGal.)</i>			
0-5,000 gal		\$ 5.01	\$ 7.31
5,000-15,000 gal		5.51	8.58
15,000-30,000 gal		6.11	10.12
30,000+ gal		6.68	11.86
<u>Commercial Water Inside</u>			
<i>Minimum Monthly Fee</i>			
3/4"	247	\$ 22.27	\$ 32.44
1"	52	35.34	52.77
1.5"	9	68.00	103.59
2"	47	107.19	164.58
3"	3	198.65	306.88
4"	6	329.30	510.17
<i>Volumetric Rates (per kGal.)</i>			
All volumes		\$ 3.34	\$ 4.87

FY	# of Connections	Current	2026
<u>Commercial Water Outside</u>			
<i>Minimum Monthly Fee</i>			
3/4"	10	\$ 33.41	\$ 48.67
1"	2	53.01	79.16
1.5"	0	102.00	155.39
2"	1	160.79	246.87
3"	1	297.98	460.33
4"	0	493.95	765.26
<i>Volumetric Rates (per kGal.)</i>			
All volumes		\$ 5.01	\$ 7.31
<u>Sprinkler Inside</u>			
<i>Minimum Monthly Fee</i>			
3/4"	15	\$ 11.13	\$ 16.21
1"	9	17.66	26.37
1.5"	5	33.99	51.77
2"	13	53.57	82.24
3"	0	99.28	153.35
<i>Volumetric Rates (per kGal.)</i>			
0-5,000 gal		\$ 3.34	\$ 4.87
5,000-15,000 gal		3.67	5.72
15,000-30,000 gal		4.07	6.75
30,000+ gal		4.45	7.90
<u>Sprinkler Outside</u>			
<i>Minimum Monthly Fee</i>			
3/4"	0	\$ 16.70	\$ 24.32
1"	1	26.49	39.55
1.5"	0	50.98	77.65
2"	0	80.37	123.38
3"	0	148.92	230.02
<i>Volumetric Rates (per kGal.)</i>			
0-5,000 gal		\$ 5.01	\$ 7.31
5,000-15,000 gal		5.51	8.58
15,000-30,000 gal		6.11	10.12
30,000+ gal		6.68	11.86

Projected Water Rates

FY	# of Connections	Current
<u>Stock Water Inside</u>		
<i>Minimum Monthly Fee</i>		
3/4"	5	\$ 11.13
1"	0	17.66
1.5"	0	33.99
2"	0	53.57
3"	0	99.28
<i>Volumetric Rates (per kGal.)</i>		
All volumes		\$ 3.34
<u>Stock Water Outside</u>		
<i>Minimum Monthly Fee</i>		
3/4"	4	\$ 16.70
1"	0	26.49
1.5"	0	50.98
2"	1	80.37
3"	0	148.92
<i>Volumetric Rates (per kGal.)</i>		
All volumes		\$ 5.01
<u>New Construction Inside</u>		
<i>Minimum Monthly Fee</i>		
3/4"	5	\$ 24.75
<i>Volumetric Rates (per kGal.)</i>		
All volumes		\$ 3.34
<u>New Construction Outside</u>		
<i>Minimum Monthly Fee</i>		
3/4"	0	\$ 37.13
<i>Volumetric Rates (per kGal.)</i>		
All volumes		\$ 5.01

FY	# of Connections	Current	2026
<u>Worship Center Inside</u>			
<i>Minimum Monthly Fee</i>			
All	32	\$ 20.00	\$ 29.14
<i>Volumetric Rates (per kGal.)</i>			
0-5,000 gal		\$ 3.34	\$ 4.87
5,000-15,000 gal		3.67	5.72
15,000-30,000 gal		4.07	6.75
30,000+ gal		4.45	7.90
<u>Worship Center Outside</u>			
<i>Minimum Monthly Fee</i>			
3/4"	1	\$ 30.00	\$ 43.71
<i>Volumetric Rates (per kGal.)</i>			
0-5,000 gal		\$ 5.01	\$ 7.31
5,000-15,000 gal		5.51	8.59
15,000-30,000 gal		6.11	10.13
30,000+ gal		6.68	11.87
<u>Bulk Construction</u>			
<i>Minimum Monthly Fee</i>			
2"	6	\$ 107.19	\$ 164.58
<i>Volumetric Rates (per kGal.)</i>			
All volumes		\$ 3.34	\$ 4.87
<u>County Water</u>			
<i>Minimum Monthly Fee</i>			
All	1	\$ -	\$ -
<i>Volumetric Rates (per kGal.)</i>			
All volumes		\$ 3.00	\$ 4.87
<u>TDCJ</u>			
<i>Minimum Monthly Fee</i>			
2"	1	\$ 107.19	\$ 164.58
6"	3	655.92	1,018.40
10"	2	1,505.16	2,339.79

Projected Wastewater Rates

FY	# of Connections	Current	2026
<u>Residential Sewer</u>			
<i>Minimum Monthly Fee</i>			
All	3,052	\$ 11.13	\$ 16.21
<i>Volumetric Rates (per kGal.)</i>			
All volumes		\$ 4.00	\$ 5.83
<u>Commercial Sewer</u>			
<i>Minimum Monthly Fee</i>			
All	400	\$ 11.13	\$ 16.21
<i>Volumetric Rates (per kGal.)</i>			
All volumes		\$ 4.00	\$ 5.83
<u>TDCJ Sewer</u>			
<i>Minimum Monthly Fee</i>			
All	3	\$ 389.65	\$ 567.65
<i>Volumetric Rates (per kGal.)</i>			
All volumes		\$ 3.01	\$ 4.39
Placeholder		-	-
Placeholder		-	-



Date 10/14/2025

Agenda Item 6

Resolution 2025-107

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Mike Halsema Deputy City Manager

Agenda Item: Consider a Resolution Affirming Tax Exempt status of a Cadence Bank Lease Agreement

Information:

The lease agreement with Cadence bank for two RAM 1500's, approved September 23rd, had a requirement that a resolution by Council affirming that the City would not issue more than \$10M in tax exempt obligations in the current calendar year. The required section was omitted from the lease agreement provided and it is necessary to complete the agreement.

Motion:

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

The City of Gatesville desires to designate the Agreement as a "qualified tax-exempt obligation" of the Lessee, as defined in Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code"). The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by the Lessee and all subordinate entities thereof during the current calendar year is not reasonably expected to exceed \$10,000,000. The Lessee and all subordinate entities thereof will not issue or enter into in excess of \$10,000,000 of tax-exempt obligations (including the Agreement, but excluding private activity bonds other than qualified 501(c)(3) bonds) during the current calendar year, without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to the Lessor that the designation of the Agreement as a "qualified tax-exempt obligation" will not be adversely affected.

Following the reading of the foregoing resolution, _____ moved that the foregoing resolution be adopted. _____ seconded the motion for its adoption.

The Mayor put the question to a roll call vote and the result was as follows:

John Salter Voted: _____

Kalinda Westbrook Voted: _____

Greg Casey Voted: _____

Joe Patterson Voted: _____

Aaron Smith Voted: _____

Meridith Rainer Voted: _____

Date 10/14/2025

Agenda Item 6

Resolution 2025-107

The motion having received the affirmative vote of all members present, the declared the motion carried and the resolution adopted, this the _____ day of _____,

_____.



September 23, 2025

City of Gatesville, Texas

803 Main St

Gatesville, TX 76528

Re: Master Lease No. 113511, Schedule No. 71086-001

Two (2) 2025 RAM 1500 Quad Cab Trucks

Please Find the lease documents on the above lease to be executed enclosed. An instruction sheet is attached to help in executing these documents.

Once the paperwork has been completed, please mail it back to:

Cadence Equipment Finance

Julie Crabtree

1222 Rogers Ave

Fort Smith, AR 72901

*Please be sure to enclose the original Counsel's Opinion Letter along with our original signed documents.

*Please note that Cadence Equipment Finance must be listed as 1st lienholder on titled vehicles.

If you have any questions or need further assistance, please give Jonathan King a call at 228-223-4642.

Sincerely,

Julie Crabtree

Sales Support
Enclosures

INSTRUCTIONS FOR EXECUTING DOCUMENTS

Document

Instructions

Contract

Page 13 - Sign and Date

Special Stipulations

Sign and Date

Exhibit A

Legal Counsel's Opinion

Should be typed on counsel's letterhead

Exhibit B

Should be the date the Delivery Order is signed

Delivery Order

1st line - Date

Exhibit C

2nd line - Date of Contract

C. Insert Buyer's fiscal year

E. Insert description of Equipment (if blank)

F. Insert location(s) of Equipment

Page 2 - Sign and Date

Equipment Acceptance Certificate

4th line - Delivery Order Date

Exhibit D

7th line - Date this acceptance signed

Sign and Date

Resolution

Section 1. - Name of person authorized to sign

Contract and Delivery Order (review, complete, sign and date)

IRS Form 8038-G (or 8038-GC)

No. 2 - Buyer's Fed. I.D. Number

Tax Exempt Certificate

Section 1. - Name of person authorized to sign

Contract and Delivery Order (review, complete, sign and date)

Essential Use Letter

Type on your letterhead. Insert user of the Equipment and the use/purpose of the Equipment

Invoice

___ Advance rental **x** Payments in arrears

Insurance Certificate or Statement

Send proof of Insurance

PLEASE RETURN ALL EXECUTED DOCUMENTS TO:

Cadence Equipment Finance,

a division of Cadence Bank

1222 Rogers Ave

Fort Smith, AR 72901

EQUIPMENT LEASE - PURCHASE AGREEMENT

LESSOR:

CADENCE EQUIPMENT FINANCE,
a division of Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

LESSEE:

City of Gatesville, Texas
803 Main St
Gatesville, TX 76528

TERMS AND CONDITIONS OF AGREEMENT

1. Agreement.

(a) Lessee requests Cadence Equipment Finance, a division of Cadence Bank ("Lessor") to acquire the personal property (herein called "Equipment") described in the attached Lease Schedule(s). Lessee agrees to lease with an option to purchase the Equipment from Lessor and Lessor agrees to lease the Equipment to Lessee upon receipt of a duly authorized written acceptance hereof, signed by an authorized officer of Lessor at its principal office, upon the terms and conditions of this Equipment Lease - Purchase Agreement (the "Agreement"). Lessee represents, covenants and warrants, and as requested by Lessor will deliver an opinion of counsel substantially in the form attached as Exhibit B, to the effect, (i) that it is a fully constituted political subdivision or agency of the State of Texas (the "State") and is authorized by the Constitution and laws of the State and its own internal or administrative procedure to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and (ii) that this Agreement has been duly authorized, executed and delivered by Lessee and constitutes a legal, valid and binding agreement enforceable in accordance with its terms. Lessee agrees that it will do or cause to be done all things necessary to preserve and keep this Agreement in full force and effect. Lessee further represents, covenants and warrants that Lessee has complied with all bidding requirements where necessary and by due notification presented this Agreement for approval and adoption as a valid obligation on its part and that Lessee has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year. In addition, Lessee represents, covenants and warrants to Lessor that:

(i) The Equipment is essential to the function of Lessee or to the service Lessee provides to its citizens;

(ii) Lessee has an immediate need for, and expects to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future;

(b) Lessee acknowledges that Lessor has agreed to enter into this Agreement on the condition that the interest portions of the Payments as defined in Section 5 hereof shall be deductible from gross income pursuant to Section 103 of the Internal Revenue Code of 1986 and the Regulations thereunder (the "Code") is available. Said exception is subject to certain conditions relating to Lessee's use of the Equipment and to Lessee's issuance of tax-exempt obligations. In that regard, Lessee represents, covenants and warrants that:

(i) The Equipment will not be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code), except for such use as a member of the general public;

(ii) No portion of the Payments as defined in Section 5 hereof: (A) will be secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit (within the meaning of Section 141 of the Code), except for such use as a member of the general public, or by payments in respect of such property; or (B) will be

derived from payments, whether or not to Lessee, in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code); and

(iii) No portion of the gross proceeds of this Agreement will be used (directly or indirectly) to make or finance loans to persons other than governmental units.

(c) Lessee acknowledges and agrees that the Payments have been calculated by Lessor assuming that the interest portion of each Payment is exempt from federal income taxation. Lessee represents, covenants and warrants that it will do or refrain from doing all things necessary or appropriate to insure that the interest portions of the Payments are exempt from federal income taxation, including, but not limited to, executing and filing all information statements required by Section 149(e) of the Code and timely paying, to the extent of available funds, amounts required to be rebated to the United States pursuant to Section 148(f) of the Code.

(d) In the event that it is determined that any of the interest components of Payments may not be excluded from gross income for purposes of federal income taxation, Lessee agrees to pay to Lessor promptly after any such determination and on each Date of Payment thereafter an additional amount determined by Lessor to compensate Lessor for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive absent manifest error.

(e) Lessee acknowledges that the representations, covenants and warranties set forth in Sections 1(b) and 1(c) shall survive the expiration of this Agreement and that Lessor may pursue any applicable remedies for the breach of such representations, covenants and warranties at any time.

2. Equipment Delivery and Acceptance. At the request of Lessee, Lessor agrees to order the Equipment which Lessee has described in the Lease Schedule(s) from the supplier of such Equipment but shall not be liable for specific performance of this order. Lessee shall accept such Equipment when and if delivered and placed in good repair and working order and hereby authorizes Lessor to add to this Agreement the serial number of each item of Equipment so delivered. Any delay in such delivery shall not affect the validity of this Agreement. Lessee shall have thirty (30) days from the date of delivery to accept such Equipment and deliver an executed Equipment Acceptance Certificate in the form attached hereto as Exhibit D. Notice of any defects must be given to Lessor within thirty (30) days of delivery. In the event the Equipment is not accepted by Lessee within thirty (30) days from the date of delivery and such acceptance is unreasonably withheld by Lessee, Lessor, at Lessor's option, shall have the right to cancel this Agreement.

3. Warranties. Lessor hereby assigns to Lessee for and during the term of this Agreement all manufacturer warranties and guarantees express or implied, issued on or applicable to the Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. LESSOR IS

NOT A MANUFACTURER OR SUPPLIER OF THE EQUIPMENT, AND MAKES NO WARRANTIES WITH RESPECT TO THE EQUIPMENT, EITHER EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. Lessor authorizes Lessee to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenance and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, shall be made against supplier. Lessor, at its option, may provide in its purchase order that supplier agrees that any of such claims may be made by Lessee directly against suppliers. The obligation of Lessee to pay the Payments as defined in Section 5 below, shall not be abated, impaired or reduced by reason of any claims of Lessee with respect to Equipment condition, quality, workmanship, delivery, shipment, installation, defects or otherwise.

4. Agreement Term. This Agreement shall become effective upon the execution hereof by Lessor. The initial term of this Agreement shall commence on the date the Equipment is accepted pursuant to Section 2 above, and shall end on the last day of Lessee's current fiscal year. The term of this Agreement may be continued, solely at the option of Lessee, for additional successive one-year renewal terms up to the expiration of the number of periods indicated in Schedule A of the Lease Schedule(s) (hereinafter the "Agreement Term"). At the end of the initial term and at the end of each renewal term until the expiration of the Agreement Term, this Agreement shall be automatically renewed on a year-to-year basis, except as provided for in Section 5 and Section 14 below. The Agreement Term for each Lease Schedule shall not exceed 25 years. However, if the Equipment financed under a Lease Schedule finances energy conservation measures, the Agreement Term for that Lease Schedule shall not exceed 20 years.

5. Payments.

(a) Lessee agrees to pay to Lessor or its assignee total Payments ("Payments") set forth in Section A of the Lease Schedule(s), including the interest portions thereof, equal to the amount specified therein. Said Payments shall be payable without notice or demand at the office of Lessor (or such other place as Lessor may from time to time designate in writing). Any notice, invoicing, purchase orders, quotations or other forms or procedures required by Lessee of Lessor as a condition precedent to payment shall be fully explained and provided to Lessor prior to execution of this Agreement. Except as specifically provided in paragraph (c) of this Section, Payments shall be absolute and unconditional in all events and shall not be subject to any set-off, defense or counterclaim.

(b) Lessee reasonably believes that funds can be obtained sufficient to make all Payments during this Agreement Term. It is Lessee's present intent to make Payments for the full Agreement Term if funds are legally available therefor, and in that regard, Lessee represents that the use of the Equipment is essential to its proper efficient and economic operation. Notwithstanding the foregoing, nothing herein shall be deemed to require Lessee's then governing body to pursue annual appropriations to make payments under this Agreement, and Lessor agrees that the decision whether or not to budget or appropriate funds during the Agreement Term is solely within the discretion of Lessee's then governing body.

(c) In the event no funds or insufficient funds are appropriated for Payments and other sums due in any fiscal year under this Agreement, Lessee shall immediately notify Lessor or its assignee of such occurrence and this Agreement shall create no further obligation of Lessee as to such fiscal year and shall be null and void, except as to funds which have been previously appropriated. In such event, this Agreement shall terminate without penalty to Lessee on the last day of the fiscal year for which funds were appropriated. Subsequent to such termination of this Agreement, Lessee shall have no continuing obligation to make Payments under this Agreement. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor shall have all legal and equitable rights and remedies to take possession of the Equipment.

6. Location. The Equipment shall be delivered and thereafter based at the location specified in the Lease Schedule(s) and shall not be removed therefrom without Lessor's prior written consent.

7. Use; Repairs. Lessee shall use the Equipment in a careful manner and shall comply with all laws, ordinances and regulations relating to, and shall pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee, at its expense, shall keep the Equipment in good repair and furnish all parts, mechanisms and devices required therefor.

8. Alterations. Lessee shall not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be removed without damage to the Equipment.

9. Loss and Damage. Lessee shall bear the entire risk of loss or damage to all Equipment from any cause whatsoever, and no such loss or damage of the Equipment nor defect therein or unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Payments or any other obligation under this Agreement. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee at the option of Lessor shall:

(a) Replace the same at Lessee's expense with like equipment in good repair; or

(b) Pay Lessor in cash all of the following: (i) all amounts then owed by Lessee to Lessor under the applicable Lease Schedule, and (ii) an amount equal to the Concluding Payment set forth in Schedule A to such Lease Schedule. Upon Lessor's receipt of such payment, Lessee shall be entitled to whatever interest Lessor may have in said item, in its then condition and location, without warranty expressed or implied.

10. Insurance. Lessee shall, during the Agreement Term, purchase and maintain insurance, or with Lessor's prior written consent may self-insure, covering specifically all

Equipment of every description under this Agreement against casualty occurrences, including the perils of FIRE, LIGHTNING, WINDSTORM, HAIL, EXPLOSION, AIRCRAFT, VEHICLES, SMOKE, RIOT, CIVIL COMMOTION, STRIKERS, LOCKED OUT WORKMEN OR THEFT, BURGLARY AND WATER DAMAGE, in an amount equal to the cost of replacement of all Equipment and with a company approved by Lessor and shall carry public liability and property damage insurance sufficient to protect Lessor from liability in all events. The proceeds under this insurance shall be payable to Lessee and Lessor or its assignee as additional insured as their interest may appear under the terms and conditions of this Agreement. Such proceeds shall be available to Lessee for the satisfaction of Lessee's obligations under Section 9 hereof. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee shall deliver to Lessor or its assignee a duly authenticated certificate evidencing such insurance. In the event of any loss, damage, injury or accident involving the Equipment, Lessee shall promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

11. Liens and Taxes. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding, however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. In any event, Lessee shall pay Lessor the amount thereof upon demand whether or not Lessor shall have advanced the funds for Lessee.

12. Indemnity. To the extent permitted by the laws of the State, Lessee shall indemnify Lessor against and hold Lessor harmless from any and all claims, actions, proceedings, expenses, damages or liabilities, arising in connection with the Equipment, including, without limitation, its manufacture, selection, purchase, delivery, possession, use, operation or return and the recovery of claims under insurance policies thereon.

13. Assignment.

(a) Without Lessor's prior consent, Lessee shall not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Agreement or the Equipment or any interest in this Agreement or said Equipment, or (ii) lease or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may, without the consent of Lessee, assign, in whole but not in part, its rights, title and interest in and to this Agreement, and all attachments hereto including Lease Schedule(s), to an assignee/investor or its agent or trustee, and/or grant or assign a security interest in this Agreement or the Equipment, in whole but not in part, and its assignee may reassign this Agreement. Each such assignee shall have all of the rights of Lessor under this Agreement. Lessee shall recognize and acknowledge each such assignment and/or security interest. Subject to the foregoing, this Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assignees of the parties hereto.

(b) This Agreement and any interest herein may be transferred only through a book entry system as prescribed by Section 149(a) of the Code, as the same may be amended from

time to time. During the term of this Agreement, Lessee shall keep a complete and accurate record of all assignments and other transfers in form and substance necessary to comply with Section 149(a) of the Code. Upon assignment of Lessor's interest herein, Lessor will cause written notice of such assignment to be sent to Lessee and, upon receipt of such notice of assignment, Lessee shall: (i) acknowledge the same in writing to Lessor; and (ii) record the assignment in Lessee's "book entry system" as that term is defined in Section 149(a) of the Code. No further action will be required by Lessor or by Lessee to evidence the assignment. **LESSEE AGREES THAT, UPON NOTICE OF ASSIGNMENT, IF SO INSTRUCTED IT SHALL PAY DIRECTLY TO THE ASSIGNEE, WITHOUT ABATEMENT, DEDUCTION OR SETOFF, ALL AMOUNTS THAT BECOME DUE HEREUNDER.**

14. Purchase Option. At the written request of Lessee, delivered thirty (30) days prior to a Date of Payment as shown on Schedule A to a Lease Schedule, and if Lessee is not on such Date of Payment in default pursuant to any provision of this Agreement, Lessor shall convey all of Lessor's right, title and interest in and to the Equipment described in that Lease Schedule to Lessee upon payment by Lessee of the applicable Concluding Payment and the Base Payment due on such date of Payment. Upon satisfaction by Lessee of such purchase conditions, Lessor shall deliver to Lessee a full release of any right, title or interest of Lessor in and to such Equipment.

15. Taxes on and Title to Equipment. In addition to other payments to be made pursuant to this Agreement, Lessee shall indemnify and hold Lessor harmless from and against, and shall pay Lessor, as additional payment, on demand, an amount equal to, all license, assessments, sales, use, real or personal property, gross receipts or other assessments, taxes, levies, imposts, duties and charges, if any, together with any penalties, fines or interest thereon imposed against or on Lessor, Lessee or the Equipment by any governmental authority upon or with respect to the Equipment or the purchase, ownership, possession, operation, return or sale of, or receipt of payments for, the Equipment, except any Federal or state income taxes, if any, payable by Lessor. Lessee may contest any such taxes prior to payment provided such contest does not involve any risk of sale, forfeiture or loss of the Equipment or any interest therein.

This Agreement is intended for security. For purposes of laws governing taxation and conditional sales, title to the Equipment shall be deemed to be transferred hereby to Lessee, subject to immediate and automatic reversion to Lessor upon any default by Lessee or upon failure to appropriate sufficient funds in order to make payments required hereunder, unless Lessor otherwise elects in writing.

16. Personal Property. The Equipment is, and shall at all times during the Agreement Term be and remain, personal property.

17. Security Interest. To secure all of its obligations hereunder, Lessee grants to Lessor a first and prior security interest in any and all right and interest of Lessee in the Equipment, this Agreement and Payments due under this Agreement. Lessee agrees that this Agreement may be filed as a financing statement evidencing such security interest, and agrees that Lessor may file financing statements and other instruments necessary or appropriate to evidence such security interest. Lessee further agrees that the Uniform Commercial Code of the State shall apply as

between the parties hereto and assignees of Lessor.

18. Events of Default. Lessee shall be in default under this Agreement upon the occurrence of any of the following events:

(a) Nonpayment when due or within six (6) days thereafter of any Payment of rent or other sum owing hereunder;

(b) Breach of any other covenant or agreement in this Agreement and the continuance of such breach for a period of 10 consecutive days following Lessee's receipt of written notice thereof from Lessor;

(c) If any representation or warranty made by Lessee or by any agent or representative of Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto proves to be incorrect at any time in any material respect;

(d) If Lessee shall dissolve or become insolvent or bankrupt, commit any act of bankruptcy, make any assignment for the benefit of, or enter into an arrangement or composition with creditors, suspend or terminate the transaction of its usual business or consent to the appointment of a trustee or receiver or if a trustee or receiver shall be appointed for Lessee or for a substantial part of its property, or if bankruptcy, reorganization arrangements or similar proceedings shall be instituted by or against Lessee;

(e) If any order, judgment or decree shall be entered against Lessee by a court of competent jurisdiction and such order, judgment or decree shall continue unpaid or unsatisfied for any period in excess of 60 consecutive days without a stay of execution, or if a writ or order of attachment, execution or other legal process shall be issued in connection with any action or proceeding against Lessee or its property whereby any of the Equipment or any substantial part of Lessee's property may be taken or restrained;

(f) If Lessee shall default in the performance of any obligation or in payment of any sum due to Lessor under any other lease, contract, agreement, arrangement or understanding;

(g) If any indebtedness of Lessee for borrowed money shall become due and payable by acceleration of the maturity date thereof; or

(h) If Lessor, in the exercise of reasonable judgment, shall determine that Lessee is generally not paying its debts as such debts become due. In addition, Lessee shall give Lessor 5 days' written notice prior to the filing of any voluntary petition of bankruptcy, written notice upon commencement of an involuntary bankruptcy proceeding, or written notice prior to taking any action with respect to all or any items of the Equipment in bankruptcy proceedings, and shall include in said written notice the venue of the anticipated proceedings and a copy of any relevant pleadings with respect thereto. Failure to give said written notice within the time as specified shall constitute an event of default hereunder and shall cause an immediate termination of this

Agreement as to all items of Equipment. Said default and termination, however, shall not constitute an election of remedies and Lessor shall retain its rights to such other remedies as may be set forth in this Agreement.

19. Remedies of Default. Upon the occurrence of any event of default and at any time thereafter, Lessor, acting alone and/or through its agents, may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect:

(a) Declare the unpaid principal balance plus accrued interest to date through the end of the then current fiscal year under this Agreement to be immediately due and payable without notice or demand;

(b) Terminate this Agreement as to any or all items of Equipment;

(c) Without notice, demand, liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the leased Equipment may be, or is believed to be by Lessor, and repossess all or any item thereof, disconnecting and separating all or so much thereof as may be required to disconnect or separate same from any other property, Lessee hereby expressly waiving all further rights to possession of the Equipment and all claims for injuries suffered through or loss caused by such repossession;

(d) Cause Lessee, at Lessee's expense, promptly to return the Equipment to Lessor, at such place as Lessor may designate, in the condition set forth above;

(e) Use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof on the premises of Lessee or at any other location without affecting the obligations of Lessee as provided in this Agreement;

(f) Sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee, and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than 10 days prior to the date thereof shall constitute reasonable notice thereof;

(g) Proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Agreement or to recover damages for the breach thereof; or

(h) Exercise any and all rights accruing to Lessor under any applicable law upon a default by Lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for the loss of a bargain and not as a penalty, a sum equal to the aggregate of the following:

(i) All unpaid Payments or other sums which are due and payable through the end of the then current fiscal year;

(ii) Any expense paid or incurred by Lessor in connection with the collection of such unpaid Payments and with the repossession, holding, repair and subsequent sale, lease or other disposition of the Equipment, including attorney's fees and legal expenses, and

(iii) The purchase option price, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise. Additionally, the measure of liquidated damages as set forth hereinabove shall be applicable to fix the damages accruing for the unexpired portion of this Agreement Term if this Agreement is not assumed by the Lessee in a bankruptcy proceeding. Should Lessor, however, estimate its actual damages to exceed the foregoing, Lessor may, at its option, recover its actual damages in lieu of or in addition thereto.

None of the remedies of Lessor under this Agreement are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or in equity. Lessee agrees to pay Lessor all attorneys' fees and all costs and expenses incurred by Lessor in connection with the enforcement of the terms of this Agreement or any right or remedy hereunder. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar any action for a deficiency as herein provided and the bringing of an action or the entry of a judgment against Lessee shall not bar Lessor's right to repossess any or all items of Equipment. Lessee waives any and all rights to notice and to a judicial hearing with respect to the repossession of the Equipment by Lessor in the event of a default hereunder by Lessee.

20. Amendments and Addendums. This Agreement may be amended or any of its terms modified only by written consent of Lessee and Lessor or its assignee.

In the event Lessee desires to buy other equipment, the parties may execute an addendum to this Agreement with respect to such other equipment by (i) executing a Lease Schedule for such equipment; (ii) executing an acceptance certificate of the equipment; and (iii) obtaining new opinions and other supporting documentation as required or permitted by this Agreement. For purposes of construing subsequent transactions concerning other equipment as an integrated contract, the following shall be considered a single transaction or legal and binding agreement:

(a) This Agreement, which provides basic terms and conditions;

(b) An executed Lease Schedule and acceptance certificate; and

(c) Schedules, exhibits, and other attachments to such documents that pertain to the equipment described in the delivery order, and supporting documentation such as, e.g., opinions of counsel and insurance certificates.

21. Notices. All notices to be given under this Agreement shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five (5) days subsequent to mailing.

22. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provisions of this Agreement.

23. Governing Law. This Agreement shall be governed by the provisions hereof and by the laws of the State of Texas.

24. Delivery of Related Documents. Lessee will execute or provide as required by Lessor, the following documents and information in form and substance satisfactory to Lessor:

- (a) Equipment Acceptance Certificate;
- (b) Legal opinion of counsel as described in Section 1 above;
- (c) Statement of Lessee describing the essential functions and uses of the Equipment;
- (d) Documents evidencing title and delivery;
- (e) Maintenance contract regarding Equipment, if any;
- (f) Uniform Commercial Code Financing Statements;
- (g) Certificates of liability and casualty insurance naming Lessor and its assigns as additional insureds;
- (h) Invoicing instructions; and
- (i) Other documents as reasonably requested by Lessor.

25. Entire Agreement; Waiver. This Agreement, together with the Lease Schedule(s) and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the Equipment. Any provisions of this Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement. The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

26. Execution in Counterparts; Electronic Transaction. This Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument. In addition; the parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

27. Role of Lessor. Lessor has not acted and will not act as a fiduciary for Lessee or as Lessee's agent or municipal advisor. Lessor has not and will not provide financial, legal, tax, accounting or other advice to Lessee or to any financial advisor or placement agent engaged by Lessee with respect to this Agreement. Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Agreement from its own advisors (including as it relates to structure, timing, terms and similar matters).

[Signature page follows.]

28. Special Stipulations. Any amendment to the terms of this Agreement will be set forth in Exhibit A attached hereto ("Special Stipulations").

LESSOR:

Cadence Equipment Finance,
a division of Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

By: _____

Title: _____

Date: _____

LESSEE:

City of Gatesville, Texas
803 Main St
Gatesville, TX76528

By: _____

Title: _____

Date: _____

SPECIAL STIPULATIONS

LESSOR: Cadence Equipment Finance,
a division of Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

By: _____

Title: _____

Date: _____

LESSEE: City of Gatesville, Texas
803 Main St
Gatesville, TX 76528

By: _____

Title: _____

Date: _____

--NONE--

EXHIBIT A

**THIS IS THE FORM TO BE USED FOR A LEGAL OPINION OF THE LESSEE'S
LEGAL COUNSEL. IT SHOULD BE TYPED ON THE COUNSEL'S LETTERHEAD:**

Cadence Equipment Finance,
a division of Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

Re: Equipment Lease - Purchase Agreement dated _____ and
Lease Schedule No. 01 thereto, dated _____, by and between Cadence
Equipment Finance, a division of Cadence Bank, as Lessor, and City of Gatesville, Texas, as
Lessee.

Ladies and Gentlemen:

I am the attorney for City of Gatesville, Texas (the "Lessee") and pursuant to the
above-referenced transaction, I am familiar with the above-referenced Equipment Lease -
Purchase Agreement and Lease Schedule No. 01 thereto (together, the "Agreement").

Based on the examination of the Agreement and such other documents, records and papers
as I deemed to be relevant and necessary as the basis for my opinion set forth below, it is my
opinion that:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws
of the State of Texas, and has a substantial amount of at least one of the following sovereign
powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power. Lessee is
authorized by the Constitution and laws of the State of Texas to enter into the transactions
contemplated by the Agreement and to carry out its obligations thereunder.
2. The Agreement has been duly authorized, executed and delivered by the Lessee and
constitutes a valid, legal and binding obligation of the Lessee enforceable in accordance with its
terms.
3. No further approval, consent or withholding of objections is required from any federal,
state or local government authority with respect to the entering into or performance by the
Lessee of the Agreement and the transactions contemplated thereby.

4. The entering into and performance of the Agreement and other related documents will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or the leased equipment pursuant to, any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which the Lessee is a party or by which it or its assets may be bound.

5. There are no actions, suits or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting the Lessee in any court or before any governmental commission, board or authority which if adversely determined, will have a material adverse effect on the ability of the Lessee to perform its obligations under the Agreement.

6. The equipment subject to the Agreement is personal property and when subjected to use by the Lessee, will not be or become fixtures under the laws of the State of Texas.

7. All required open meeting laws and public bidding procedures regarding the award and approval of the Agreement have been followed by the Lessee.

You and your successors and assigns are entitled to rely upon this opinion.

Sincerely,

LEASE SCHEDULE NO: 01

Dated as of: _____

To Agreement No: 113511

THIS LEASE SCHEDULE is issued pursuant to an Equipment Lease - Purchase Agreement dated as of _____ (the "Agreement"), between the parties for the acquisition of the Equipment listed herein. All terms used herein have the meanings ascribed to them in the Agreement.

A. PAYMENTS, TERM, TRANSPORTATION AND DELIVERY COSTS.

The Payments required under the Agreement for the Equipment designated on this Lease Schedule are included in Schedule A. A portion of each Payment is paid as and represents payment of interest as set forth in Schedule A hereto. Payments shall be due as set forth in **Schedule A** hereto. Lessee shall pay transportation and/or delivery costs, if any, as set forth in Schedule B hereto.

B. LATE PAYMENTS.

There will be a charge of 4% of the payment amount per payment period, based on the amount of any Payments which remain unpaid for fifteen (15) days after the due date.

C. FISCAL YEAR.

Lessee's fiscal year period is from _____ to _____.

D. CONCLUDING PAYMENT.

Lessee shall have the option to purchase the Equipment described herein in accordance with Section 14 of the Agreement upon payment of the Concluding Payment Amount set forth in Schedule A hereto plus the payment then due.

E. EQUIPMENT DESCRIPTION.

The Equipment as defined in the Agreement includes the following: See Schedule A-1 attached hereto and made a part hereof

EXHIBIT C

F. LOCATION.

803 Main St, Gatesville, TX 76528.

G. ALTERNATIVE INTEREST RATES.

1. Loss of interest deductibility under the Agreement with respect to a change in designation of the Agreement as a "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, as amended, will incur a rate of not less than 5.00%.

2. Loss of tax-exempt interest under the Agreement (as described in Section 2(d) of the Agreement) will incur a rate of not less than 5.00%.

H. REPRESENTATIONS.

THE TERMS GOVERNING THIS LEASE SCHEDULE ARE CONTAINED IN THE AGREEMENT REFERENCED ABOVE AND APPLY WITH THE SAME FORCE AND EFFECT AS IF SET FORTH FULLY HEREIN.

Lessor shall not be bound by this Lease Schedule until it is executed by an authorized officer of Lessor at Lessor's principal place of business.

DATED as of the day and year first above stated on this Lease Schedule.

LESSOR:

Cadence Equipment Finance, a division of
Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

By: _____

Title: _____

LESSEE:

City of Gatesville, Texas

803 Main St
Gatesville, TX 76528

By: _____

Title: _____

SCHEDULE A

City of Gatesville, Texas
113511 002-0071086-001

DRAFT COPY - PAYMENT DUE DATE WILL BE AMENDED AT CLOSING

Nominal Annual Rate: 4.840%

Cash Flow Data - Leases and Lease Payments

	Event	Date	Amount	Number	Period	End Date
1	Lease	09/23/2025	80,242.00	1		
2	Lease Payment	09/23/2025	17,634.95	5	Annual	09/23/2029

TValue Amortization Schedule - Normal, 30E3/360

	Date	Lease Payment	Interest	Principal	Balance
Lease	09/23/2025				80,242.00
1	09/23/2025	17,634.95	0.00	17,634.95	62,607.05
2025 Totals		17,634.95	0.00	17,634.95	
2	09/23/2026	17,634.95	3,098.31	14,536.64	48,070.41
2026 Totals		17,634.95	3,098.31	14,536.64	
3	09/23/2027	17,634.95	2,378.92	15,256.03	32,814.38
2027 Totals		17,634.95	2,378.92	15,256.03	
4	09/23/2028	17,634.95	1,623.93	16,011.02	16,803.36
2028 Totals		17,634.95	1,623.93	16,011.02	
5	09/23/2029	17,634.95	831.59	16,803.36	0.00
2029 Totals		17,634.95	831.59	16,803.36	
Grand Totals		88,174.75	7,932.75	80,242.00	

SCHEDULE A-1

City of Gatesville, Texas

Master Lease Number: 113511

Delivery Order Number: 71086-001

One (1) 2025 RAM 1500 Quad Cab Truck (VIN: 1C6RREAG2SN580743)

One (1) 2025 RAM 1500 Quad Cab Truck (VIN: 1C6RREAG0SN580742)

EQUIPMENT ACCEPTANCE NOTICE

TO: Cadence Equipment Finance, a division of Cadence Bank

RE: Lease Schedule No. 001 dated _____ to Equipment Lease - Purchase Agreement dated _____ (together, the "Agreement"), by and between Cadence Equipment Finance, a division of Cadence Bank, as Lessor, and City of Gatesville, Texas, as Lessee

This is to acknowledge that the delivery and/or installation of the Equipment, described in the above-referenced Lease Schedule has been completed in accordance with the terms of the above-referenced Equipment Lease - Purchase Agreement and that Lessee has duly delivered to and received in proper form all purchase orders, invoices or such forms or documents required by Lessee to assure commencement of Payments on _____, in accordance with Section 2 of the Agreement.

The undersigned has inspected said Equipment. Said Equipment satisfies provisions of Section 2 of the above-referenced Agreement, and it is accepted according to the provisions contained therein.

LESSEE:

City of Gatesville, Texas

By: _____

Title: _____

Date: _____

EXHIBIT D

CERTIFICATE WITH RESPECT TO QUALIFIED TAX EXEMPT OBLIGATIONS

I, the _____ of City of Gatesville, Texas ("Lessee"), am duly authorized to execute that certain Agreement, dated as of _____, (the "Agreement") by and between Lessee and Cadence Equipment Finance, a division of Cadence Bank do hereby certify as follows:

1. This Certificate with Respect to Qualified Tax Exempt Obligations (the "Certificate") is executed for the purpose of establishing that the Agreement has been designated by Lessee as a qualified tax-exempt obligation of Lessee for purposes of section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

2. Lessee is a political subdivision of the State of Texas.

3. The Agreement is being issued in calendar year _____.

4. Neither any portion of the gross proceeds of the Agreement nor the Equipment identified in the Agreement shall be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public.

5. No portion of the Payments identified in Section 5 of the Agreement: (a) is secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (b) is to be derived from payments (whether or not to Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

6. No portion of the gross proceeds of the Agreement are used (directly or indirectly) to make or finance loans to persons other than governmental units.

7. Lessee has designated the Agreement as a qualified tax-exempt obligation for purposes of the Code, pursuant to a resolution adopted by the governing body of Lessee on _____.

8. In calendar year _____, Lessee had designated \$_____ of tax-exempt obligations (including the Agreement) as qualified tax-exempt obligations. Including the Agreement herein so designated, Lessee will not designate more than \$10,000,000 of obligations issued during calendar year _____ as qualified tax-exempt obligations.

9. Lessee reasonably anticipated that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year _____ will not exceed \$10,000,000.

10. For purposes of this Certificate, the amount of tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations includes tax-exempt obligations issued by all entities deriving their issuing authority from Lessee or by an entity subject to substantial control by Lessee, as provided in Section 265(b)(3)(E) of the Code.

11. This Certificate is based on facts and circumstances in existence on this date.

IN WITNESS WHEREOF, I have set my hand this _____ day of _____,
_____.

City of Gatesville, Texas

By: _____

Title: _____

**THIS IS AN ESSENTIAL USE LETTER. IT SHOULD BE TYPED
ON THE LESSEE'S LETTERHEAD.**

Cadence Equipment Finance,
a division of Cadence Bank
1222 Rogers Ave
Fort Smith, AR 72901

RE: Agreement No. 113511, dated _____

Ladies and Gentlemen:

The equipment purchased under the above-referenced Agreement, and associated peripheral equipment that we are buying under said Agreement, will be used by the

_____.
The equipment will not be used in any private business or put to any private business use.

The functions of the equipment will include _____
_____ and are deemed to be essential to the efficient operation of the
_____.

Sincerely,

DISBURSEMENT REQUEST

Pursuant to that certain Municipal Lease Contract No. 002-0071086-001 dated effective _____ between City of Gatesville, Texas and CADENCE EQUIPMENT FINANCE, A DIVISION OF CADENCE BANK, the parties hereto hereby request disbursement of funds in the amount and manner described below.

Please disburse to: Grapevine DCJ

Amount to disburse: \$80,242.00

Form of disbursement: Wire

IN WITNESS WHEREOF: the parties hereto have executed this Agreement in multiple counterparts, each of which is and shall be considered an original for all intents and purposes, effective as of the date first written above.

By: _____

Name: _____

Title: _____

Date: _____

TO BE COMPLETED BY INSURANCE AGENT

CERTIFICATION OF INSURANCE PROTECTION ON FINANCED EQUIPMENT

This is to certify that the policies enumerated below have been issued to the Named Insured (Lessee).

City of Gatesville, Texas
803 Main St
Gatesville, TX 76528

Description of Property Financed to above Named Insured by Lessor named below (Lessor) includes the following:

One (1) 2025 RAM 1500 Quad Cab Truck (VIN: 1C6RREAG2SN580743), One (1) 2025 RAM 1500 Quad Cab Truck (VIN: 1C6RREAG0SN580742)

Lessee shall maintain:

ALL RISK PROPERTY INSURANCE covering all risk of physical loss to each item of equipment described above for the actual value of such item(s). Including Cadence Equipment Finance, a division of Cadence Bank (Lessor) as LOSS PAYEE, and an endorsement or certificate issued to Lessor stating that payment of any loss will be made to Cadence Equipment Finance, a division of Cadence Bank and the Lessee.

Policy Number _____
Insurance Company _____
Policy Period Effective Date _____ Expiration Date _____
Amount of Insurance _____ Deductible (if any) 5,000 (MAX) _____

The above policy(s) will not be altered or cancelled by the insurer without ten (10) days prior written notice to: Cadence Equipment Finance, a division of Cadence Bank
P.O. Box 863329
Plano, TX 75086

This Certificate of Insurance Protection will serve as evidence of required coverage by the Lessee until certificates and/or endorsements are issued directly to Cadence Equipment Finance, a division of Cadence Bank. Please forward to CEF via email: CEFinfo@cadencebank.com or fax: 800-322-1611

Name and address of AUTHORIZED REPRESENTATIVE

(SIGNATURE OF INSURANCE REPRESENTATIVE)

DATE

PHONE

Form **8038-GC**

(Rev. October 2021)

Department of the Treasury
Internal Revenue Service**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**► **Under Internal Revenue Code section 149(e)****Caution:** If the issue price of the issue is \$100,000 or more, use Form 8038-G.
► Go to www.irs.gov/Form8038GC for instructions and the latest information.

OMB No. 1545-0047

Part I Reporting Authority		Check box if Amended Return ► <input type="checkbox"/>	
1 Issuer's name City of Gatesville, Texas		2 Issuer's employer identification number (EIN)	
3 Number and street (or P.O. box if mail isn't delivered to street address) 803 Main St		Room/suite	
4 City, town, or post office, state, and ZIP code Gatesville, TX 76528		5 Report number (For IRS Use Only) <div style="border: 1px solid black; width: 100px; height: 20px;"></div>	
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information		7 Telephone number of officer or legal representative	

Part II Description of Obligations		Check one box: <input type="checkbox"/> Single issue <input type="checkbox"/> Consolidated return	
8a Issue price of obligation(s) (see instructions) Two (2) 2025 RAM 1500 Quad Cab Trucks	8a	80,242.00	
b Issue date (single issue) or calendar date (consolidated). Enter date in MM/DD/YYYY format (for example, 01/01/2009) (see instructions) ►			
9 Amount of the reported obligation(s) on line 8a that is:			
a For leases for vehicles	9a		
b For leases for office equipment	9b		
c For leases for real property	9c		
d For leases for other (see instructions)	9d		
e For bank loans for vehicles	9e		
f For bank loans for office equipment	9f		
g For bank loans for real property	9g		
h For bank loans for other (see instructions)	9h		
i Used to refund prior issue(s)	9i		
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j		
k Other	9k		
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box	► <input type="checkbox"/>		
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions)	► <input type="checkbox"/>		
12 Vendor's or bank's name: Cadence Equipment Finance, a division of Cadence Bank			
13 Vendor's or bank's employer identification number: 64-0117230			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.			
	Signature of issuer's authorized representative		Date	
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date
	Firm's name ►		Firm's EIN ►	
	Firm's address ►		Phone no.	
	Check <input type="checkbox"/> if self-employed		PTIN	

Future Developments

For the latest information about developments related to Form 8038-GC and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form8038GC.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Bonds.

Filing a separate return for a single issue.

Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate. See the instructions for line 11, later.

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that aren't reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15 of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time isn't due to willful neglect. Write at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form wasn't submitted to the IRS on time. Also, indicate whether the obligation in question is under examination by the IRS. Don't submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC and any attachments at the following address.

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201

Private delivery services (PDS). You can use certain PDS designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These PDS include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The PDS can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the federal government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar. For example, \$1.49 becomes \$1 and \$2.50 becomes \$3. If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that isn't a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond isn't tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and
2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that aren't private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the *Amended Return* box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that doesn't have an employer identification number (EIN) should apply for one online by visiting the IRS website at www.irs.gov/EIN. The organization may also apply for an EIN by faxing or mailing Form SS-4 to the IRS.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office doesn't deliver

mail to the street address and the issuer has a P.O. box, show the box number instead of the street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note: The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Don't make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2020 for a single issue issued on March 15, 2020), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2020, enter 01/01/2020).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also, complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Don't complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment

purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that doesn't represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Don't make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also, write the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note: If the issuer authorizes on line 6 the IRS to communicate with a person other than an officer or other employee of the issuer (such authorization shall include contact both in writing regardless of the address entered on lines 3 and 4, and by telephone), by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization shouldn't sign the return. Certain others who prepare the return shouldn't sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., shouldn't sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for tax exempt organizations filing this form is approved under OMB control number 1545-0047 and is included in the estimates shown in the instructions for their information return.

If you have suggestions for making this form simpler, we would be happy to hear from you. You can send us comments through www.irs.gov/FormComments. Or you can write to:

Internal Revenue Service
Tax Forms and Publications
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

Do not send Form 8038-GC to this address. Instead, see *Where To File*, earlier.

**Cadence Equipment Finance
1222 Rogers Ave
Fort Smith, AR 72901**

INVOICE

(Please return a copy of this invoice with your payment)

September 23, 2025

City of Gatesville, TX
110 N 8th St
Gatesville, TX 75528

Reference: Equipment Lease Schedule 002-0071086-001

Advance Payment \$ 17,634.95

TOTAL AMOUNT DUE: \$ 17,634.95

THANK-YOU

Due at time of closing

Cadence Equipment Finance, a division of Cadence Bank

Authorization Agreement for Direct Payment (ACH Debits)

I (We) hereby authorize Cadence Equipment Finance, a division of Cadence Bank to initiate debit entries to my (our) checking account indicated below at Depository named below to debit the same to such account.

Customer Name City of Gatesville, Texas

Depository Name _____ Branch _____

City _____ State _____ Zip _____

Routing Number _____ Account Number _____

Please provide the contract number*** to which this payment will be applied:

Contract Number 002-0071086-001 Payment Amount \$ 17634.95

This authorization is to remain in full force and effect until the Bank listed above or Cadence Equipment Finance, a division of Cadence Bank has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the Bank and Depository a reasonable opportunity to act on it.

Name(s) _____ Signature _____
(Please Print)

(Please Print) Signature _____

Date _____

******Please note that for each contract individually, a form must be filled out and signed******

NOT REQUIRED

RESOLUTION 2025-107

RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF EQUIPMENT - LEASE PURCHASE AGREEMENT WITH CADENCE EQUIPMENT FINANCE, A DIVISION OF CADENCE BANK

WHEREAS, Mayor and City Council, the Governing Body (the "Governing Body") of City of Gatesville, Texas (the "Lessee"), acting for and on the behalf of the Lessee hereby finds, determines and adjudicates as follows:

1. The Lessee desires to enter into an Equipment Lease - Purchase Agreement with the Lease Schedule and Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (collectively, the "Agreement") with Cadence Equipment Finance, a division of Cadence Bank (the "Lessor"), for the purpose of leasing with an option to purchase the equipment as described therein for the total cost specified therein (the "Equipment").

2. It is in the best interest of the public purposes of the Lessee that the Lessee lease with an option to purchase the Equipment pursuant to and in accordance with the terms of the Agreement; and

3. It is necessary for Lessee to approve and authorize the Agreement.

NOW, THEREFORE, BE IT RESOLVED by this Governing Body for and on behalf of Lessee as follows:

Section 1. The Agreement and Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" by and between the Lessor and the Lessee is hereby approved and the City Manager (the "Authorized Officer") is hereby authorized and directed to execute said Agreement on behalf of the Lessee.

Section 2. The Agreement is being issued in calendar year 2025.

Section 3. Neither any portion of the gross proceeds of the Agreement nor the Equipment identified to the Agreement shall be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public.

Section 4. No portion of the rental payments identified in the Agreement (a) is secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (b) is to be derived from payments (whether or not to the Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

Section 5. No portion of the gross proceeds of the Agreement are used (directly or indirectly) to make or finance loans to persons other than governmental units.

Section 6. The Authorized Officer is further authorized for and on behalf of the Governing Body and the Lessee to do all things necessary in furtherance of the obligations of the Lessee pursuant to the Agreement, including execution and delivery of all other documents necessary or appropriate to carry out the transactions contemplated thereby in accordance with the terms and provisions thereof.

Section 7. The Lessee desires to designate the Agreement as a "qualified tax-exempt obligation" of the Lessee, as defined in Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code"). The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by the Lessee and all subordinate entities thereof during the current calendar year is not reasonably expected to exceed \$10,000,000. The Lessee and all subordinate entities thereof will not issue or enter into in excess of \$10,000,000 of tax-exempt obligations (including the Agreement, but excluding private activity bonds other than qualified 501(c)(3) bonds) during the current calendar year, without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to the Lessor that the designation of the Agreement as a "qualified tax-exempt obligation" will not be adversely affected.

Following the reading of the foregoing resolution, _____ moved that the foregoing resolution be adopted. _____ seconded the motion for its adoption. The City Secretary put the question to a roll call vote, and the result was as follows:

<u>Greg Casey, Mayor Pro Tem</u>	Voted: _____
<u>Joe Patterson, Ward 2, Place 4</u>	Voted: _____
<u>Meredith Rainer, Ward 1, Place 3</u>	Voted: _____
<u>John Salter, Ward 1, Place 2</u>	Voted: _____
<u>Arron Smith, Ward 2, Place 1</u>	Voted: _____
<u>Kalinda Westbrook, Ward 2, Place 2</u>	Voted: _____

The motion having received the affirmative vote of a majority of all members present, the City Secretary declared the motion carried and the resolution adopted, this the ____ day of October 2025.

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary



Date 10/14/2025

Agenda Item 7

Resolution 2025-108

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Bradford Hunt, City Manager

Agenda Item: Discussion and possible action regarding disbursement of HOT Funds

Information:

The HOT Fund Disbursement Committee held its inaugural meeting on September 18, 2025. Committee members present were:

- City Manager: Brad Hunt (Committee Chair)
- Deputy City Manager: Mike Halsema
- City Secretary: Holly Owens
- Council Member: Kalinda Westbrook
- Local Business Owner: Gerald Pelkey
- Citizen: Leo Corona
- Citizen: Michael Wilie

The Committee members reviewed the Standard Operating Procedure for HOT Fund Disbursement, as previously approved by Council. Members discussed two applications which were received during the first application period, agreed upon a minimum overall score for applications, then followed a scoring matrix prior to voting on each application. The Committee decided an overall average score of 70 should be a deciding factor in the Committee's decision, but that a vote amongst members would be the final deciding factor on any recommendations to Council.

The Committee's actions were as follows:

1. Gatesville Chamber of Commerce
 - a. Information: The Chamber submitted one application for multiple events, many of which are to occur after the spring HOT Funds Application Period. The amount requested was \$80,000.
 - b. Overall Committee score (average amongst 7 graders): 59.14
 - c. Votes to approve: 5 yea, 1 nay (Chair did not vote)
 - d. Caveats: The HOT Fund Disbursement Committee recommends allotment of \$1,000 to Chamber of Commerce for the upcoming "Corks & Kegs" Event, to cover the costs of advertising (lanyards, signs, other). The Committee further recommends that Chamber apply in the second such semi-annual period for the other future events.
 - e. City Attorney opinion: on review prior to potential approval, the disbursement of \$1,000 for Corks & Kegs as recommended by the HOT Fund Disbursement Committee meets the requirements under law for the use of HOT funds.

2. Cotton Belt Depot Foundation

- a. Information: The Foundation submitted a request for a digital sign that would be placed outside the Depot building, along Business 36. The amount requested was \$34,128.78.
- b. Overall Committee score: 61.29
- c. Votes to approve: 5 yea, 1 nay (Chair did not vote)
- d. Caveats: The HOT Fund Disbursement Committee recommends allotment of \$20,000 to Cotton Belt Depot Foundation for the cost of the digital sign. The Committee further recommends that advertisements placed on any HOT-funded sign can only be for events and local attractions that fall within the guidelines of the law for use of such funds. The sign can be used to attract future visitors, promote tourism, and showcase local events. It cannot be used to display advertisements for any privately-held business.
- e. City Attorney opinion: on review prior to potential approval, the disbursement of \$20,000 for a digital sign with the restrictions and conditions recommended by the HOT Fund Disbursement Committee does meet the requirements under law for the use of HOT funds.

Financial Impact: Up to \$21,000 in HOT Funds; current balance of HOT Fund is \$949,646

Staff Recommendation: see above

Motion: Motion to approve **Resolution 205-108**, disbursing \$1,000 in Hotel Occupancy Tax Funds to the Gatesville Chamber of Commerce, and \$20,000 in Hotel Occupancy Tax Funds to the Cotton Belt Depot Foundation.

Attachments:

1. HOT Fund Disbursement Committee Meeting Agenda
2. HOT Fund Disbursement Committee Overall Scores
3. HOT Fund balance
4. Chamber of Commerce application
5. Cotton Belt Depot Foundation application

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Gatesville, Texas, this the ____ day of _____, _____, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

Date 10/14/2025

Agenda Item 7

Resolution 2025-108

APPROVED

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary

4901-5592-9195, v. 1



HOT Fund Disbursement Committee

Meeting Agenda

September 18, 2025

Time: 10:00 a.m.

Location: City Hall Conference Room

Invitees:

City Manager: Brad Hunt
Deputy City Manager: Mike Halsema
City Secretary: Holly Owens
Council Member: Kalinda Westbrook
Local Business Owner: Gerald Pelkey
Citizen: Leo Corona
Citizen: Michael Wilie

Agenda:

1. Welcome & Introductions
2. Review of available HOT funds
3. Review of SOP & law
4. Score Sheet review, discussion
5. Vote on minimum score for applicants
6. Review of applications
 - a. Gatesville Chamber of Commerce
 - i. Group discussion
 - ii. Individual scoring
 - b. Cotton Belt Depot Foundation
 - i. Group discussion
 - ii. Individual scoring
7. Score reviews & vote on recommendations to Council
 - a. Gatesville Chamber of Commerce Yea: 5 / Nay: 1 Result: Y
 - b. Cotton Belt Depot Foundation Yea: 5 / Nay: 1 Result: Y
8. Adjourn

9/18/25



HOT Fund Disbursement Committee
Overall Scores

Applying Entity: _____

Date: Chamber _____

9/18/2025

Scorer	Points
City Manager: Brad Hunt	70
Deputy City Manager: Mike Halsema	35
City Secretary: Holly Owens	70
Council Member: Kalinda Westbrook	65
Local Business Owner: Gerald Pelkey	64
Citizen: Leo Corona	70
Citizen: Michael Wilie	40
Average:	59.14

HOT Fund Disbursement Committee
Overall Scores

Applying Entity: Cotton Belt _____

Date: Sept 18 2025 _____

Scorer	Points
City Manager: Brad Hunt	60
Deputy City Manager: Mike Halsema	70
City Secretary: Holly Owens	60
Council Member: Kalinda Westbrook	60
Local Business Owner: Gerald Pelkey	74
Citizen: Leo Corona	55
Citizen: Michael Wilie	50
Average:	61.29

Committee Chair: Bradford Klein

Signature: [Signature] 9/18/25

HOT Fund - 040

HOT FUND REVENUE		FY25 Budget	YTD JULY	% of Budget
040-4-008-4400	INTEREST	8,000	25,803	322.5%
040-4-008-4500	Prior Year Resources	-	102,023	
040-4-008-4950	HOTEL OCCUPANCY TAX	150,000	201,624	134.4%
TOTAL REVENUE		\$ 158,000	\$ 329,450	208.51%

EXPENDITURES				
040-5-138-60010	TRANSFER TO GENERAL FUND	\$ 29,610	-	0.0%
040-5-138-61000	CVB CENTER EXPENSES	\$ -	-	
040-5-138-61010	ADVERTISING	\$ 18,500	23,765	128.5%
040-5-138-61020	PROMOTION OF THE ARTS	\$ 5,000	500	10.0%
040-5-138-61030	SIGNAGE & WAYFINDING	\$ -	-	
040-5-138-61040	PROMOTION OF SPORTING EVENTS	\$ 102,023	-	0.0%
040-5-138-61050	HISTORICAL PRESERVATION	\$ -	-	
TOTAL EXPENSES		\$ 155,133	\$ 24,265	15.64%

Gain (Loss) **305,186**

Fund Balance \$ 949,646

Application Process

The City of Gatesville accepts applications from organizations wishing to receive financial support through the Local Hotel Occupancy Tax (HOT) revenue collected.

- 1) Applications for funding will be considered semiannually, during two application periods. To be considered for funding, applicants must complete an application, including the required attachments and deliver them to the City of Gatesville within the application period, in order to be considered.

The application periods are as follows:

- Fall Cycle: Applications open August 15; due September 15; disbursed after October 1
- Spring Cycle: Applications open February 15; due March 15; disbursed after March 31.

Late or incomplete applications will not be considered.

Applicants will have the opportunity to present the application to the HOT Advisory Committee before any funding decisions are made.

- 2) The HOT Funds Review Committee will meet semi-annually, within seven days of each application period's closure, to review applications for completeness and eligibility. Applicants will be notified in advance of the HOT Funds Review Committee meeting.
- 3) The City of Gatesville will review the application for completeness. The contact name on the application or a representative from the organization will be expected to present the request before the HOT Funds Review Committee, and if approved, follow through with the approved expenditure and HOT funding process.
- 4) Applicants will be notified of the outcome within 10 business days of Council action, at which time the approved funding may be requested from the organizer.
- 5) **A post-event report is required within 30 days after the event.** When the event is complete and receipts that reflect actual and appropriate monies for approved expenditures are submitted, the organization shall return unspent funds to the City of Gatesville. This determination shall be made by the City Finance Office, and the City Manager shall have final approval on any contended funds. You may be asked to provide additional details or documentation prior to receiving your final funding payment. Failure to return overage funds granted to your event/organization by the end of the fiscal year (September 30) for which they were granted will result in elimination of consideration for future funds.

Rules Governing Your Application

The applicant must present reasonable evidence that the event will **increase overnight stays** in the City of Gatesville that are consistent with the level of HOT revenues requested.

Example: the event is multi-day, 400 of the participants will travel more than 100 miles and 125 participants will stay in Gatesville lodging.

- 1) Funding requests of hotel occupancy tax revenues may statutorily be used **only** for the **promotion of tourism**. Expenditure of funds for unauthorized purposes may result in recapture and/or enter into

Revised 7/6/2016

funding decisions in future funding cycles.

- 2) The applicant must ensure that Gatesville lodging sources and websites are listed on any information you provide to registrant and/or vendor/event attendees, including event websites. Also all Gatesville' hoteliers must be made aware of the event, have access to mailing lists, and have sufficient time to participate in the bidding process for both primary bookings and overflow.
- 3) After the application project is complete, the recipient will be expected to provide a post event report for committee review prior to any further requests for funding.

HOT Reimbursement Grant Application

Please print clearly and complete the following application.

Organization

Today's Date: 09/01/25

Name of Organization: Gatesville Chamber of Commerce

Mailing Address: 2307 Hwy 36

City, State, Zip: Gatesville, Tx 76528

Contact Name: Yvonne Williams Chamber Liaison

Contact Phone Number: 254-865-2617 or Cell 254-721-3068

Contact E-mail: gatesvillecoc@gmail.com

Is your organization: **Non-profit** Private/For-Profit Tax ID# 74-0640625

Purpose of your organization:

Growing Buisness, Building Community. I have also attached additions remarks as what the chamber does,

Proposal Information

Does your Event/Expenditure pass **Part One** of the statutory test, defined specifically as directly enhancing and promoting tourism in Gatesville **AND** directly promoting the overnight accommodation industry in Gatesville by increasing overnight stays? Yes No

Does your Event/Expenditure pass **Part Two** of the statutory test, defined specifically as limiting the use of Hotel Occupancy Tax funds to one or more of the following categories? (1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center; (2) Paying the administrative costs for facilitating convention registration; (3) Paying for advertising, solicitations, and promotion that attract tourists and convention delegates to the city or its vicinity; (4) Expenditures that promote the arts; (5) Funding historical restoration or preservation programs; (6) Certain sporting event related expenses; (7) Certain tourist shuttles; (9) signage directing tourists to attractions frequently visited by hotel guests. Yes No

If the answer to one of the above two questions is no, you are NOT eligible for Hotel Occupancy Tax (HOT) funds and need not continue.

Event or Expenditure Description

Shivaree, Miss Shivaree, Shivaree Concert entertainment, lights, sounds, stage. Corks & Kegs

- 1) Name of your event/expenditure: _____
- 2) Website address of your event/expenditure: gatesvillechamber.com also facebook, instagram
- 3) Date (s) of event/expenditure: Corks & Kegs Novemeber 8th, 2025. Shivaree June 6th, 2025, Miss Shivaree TBD,
- 4) Will there be an admission charge for this event/expenditure? **Yes** No

- 5) Please list any additional charges for this event/expenditure (i.e. parking, entry fees for contests, etc...)

Activity	Shivaree, Miss Shivaree, Concert	Cost	15,000. to 50,000
Activity	Corks & Kegs	Cost	5,500
Activity	Carnival	Cost	15,000

- 6) Primary location of event/expenditure: _____

- 7) What is specifically being marketed or promoted (i.e. facility, event, etc...)

Gatesville Court House, Civic Center, Hotels, Business around court hous

- 8) Purpose and goal of your organization and who benefits from your success:

To bring heads in beds and to have both community and vistors spend money in all of our business. Help make Gatesville a place to visit and want to live in Gatesville

Visitor Impact

- 1) Previous year's number of persons expected attending this event/expenditure:

Local: 300 Out of Town: 200

- 2) Number of total persons expected to attend this event/expenditure:

Local: 2,000 Out of Town: 550

- 3) Approximately number of people attending/visiting event or expenditure will stay overnight in Gatesville' hotels, motels or bed and breakfasts? 250

- 4) Do you reserve a room block for this event/expenditure? **Yes** No

- 5) Which hotels have you negotiated a special rate if this reimbursement request is being used for an event? Please list hotels (do not list rates).

Holiday Inn Express, Comfort Suites, Regency Inn

Funding Request

Amount Requested: \$ 80,000

Does the proposed event plan to become self-supporting in the future? Yes **No**

Total advertising/promotion budget: \$ All events 4,000

a) What is your organization's direct contribution to the above? \$ 10,000

b) What other sources of funding are being applied for or have been received for the advertising/promotion of your organization?
None

c) How will the funds be used?

Funds will be used for renting any carnival, Shivarree entertainment to include thier , Stage, lights, sound, hotel expensivesCorks & Ke
we need supplies such as cups, lynards, inserts for lynards

d) Please indicate all promotion efforts your organization is coordinating and the amount financially committed to each media outlet:

Paid Advertising \$ 2,000 Radio \$ 1,000 Newspaper \$ 500

Press Releases to Media \$ 0 Television \$ I have contact I am working with from KXXV

Direct Mailing \$ 0 Distribution of Brochures \$ 800

Other (describe) \$ Officers for both COorks & Kegs and Shivarree concert.

Required Attachments

Along with the application, please submit the following attachments:

1. Itemized, detailed list of expenditures relevant for HOT revenue use
2. Advertising/ Marketing Plan, including targeted audience, detailed list of media to be used
3. List of Board of Directors/ Event Committee with contact phone numbers
4. Event planning timeline
5. Schedule of activities relating to your event/ expenditure

Local HOT Use Request for Funding Agreement Form

Please return completed application with necessary attachments and signature to the City of Gatesville, 803 East Main Street, Gatesville, TX 76528, by the grant application deadline. If you have any application questions, please contact Mike Halsema, City of Gatesville CFO, at 254.865.8951, or mhalsema@gatesvilletx.com.

I fully understand the Local Hotel Occupancy Tax (HOT) Special Events Grant Application, Application Process, Reimbursement Process, and Rules Governing the Application established by the City of Gatesville. I intend to use this funding for the aforementioned event to forward the efforts of the City of Gatesville in **directly** enhancing and promoting tourism **and** the convention and hotel industry by attracting visitors from **outside** Gatesville into the city or its vicinity.

I have read the Local Hotel Occupancy Tax (HOT) Special Events Grant Application guidelines including the Rules Governing the Application and the Reimbursement Process.

I understand that if I am awarded my request for Hotel Occupancy Tax (HOT) funding by the City of Gatesville, any deviation from the approved event or from the Rules Governing the Application may result in the partial or total withdrawal of the Local Hotel Occupancy Tax (HOT) Special Events Grant Application.

Gatesville Chamber of Commerce

Organization Name

Yvonne Williams
Applicant's Signature

09/09/25
Date

Explanations of why HOT Funds are needed for the Gatesville Chamber of Commerce

Page 1

The purpose of the Gatesville Chamber of Commerce exists to **support, promote, and connect** businesses, organizations, and community members in Gatesville and the surrounding area.

- **Business Support & Growth:** The Chamber helps local businesses succeed by providing networking opportunities, educational resources, marketing support, and advocacy.
- **Community Promotion:** It actively promotes Gatesville as a great place to live, work, and visit by highlighting local shops, restaurants, events, and attractions.
- **Events & Tourism:** The Chamber organizes community events like the Shivarree Festival, Market Days, mixers, Corks & Kegs and seasonal celebrations that bring people together and boost the local economy.
- **Partnerships & Advocacy:** By working with the City of Gatesville, schools, nonprofits, and civic leaders, the Chamber advocates for policies and initiatives that strengthen the business climate and overall quality of life.
- **Visitor & Military Resources:** The Chamber also maintains visitor guides, helps military families from Fort Hood discover local businesses, and ensures Gatesville is welcoming to newcomers.

Purpose and Goal of the Chamber of Commerce

Goal of the Gatesville Chamber of Commerce

The overarching mission of the Gatesville Chamber of Commerce is to foster a thriving, resilient community by supporting businesses of all sizes—from small startups to larger enterprises—and enriching the well-being of residents through access to essential resources and community-building initiatives.

Business Support & Growth

- **Inclusive Support:** The Chamber champions small businesses and large organizations alike through networking events, marketing visibility, educational programming (like their "Lunch and Learn" series), business recognitions (e.g., Business of the Month),

Explanations of why HOT Funds are needed for the Gatesville Chamber of Commerce

- **Community Connection:** Whether you're a local bakery, landscaping business, healthcare provider, or boutique, the Chamber's membership directory spans a wide range of industries, reinforcing local commerce connections.

Community Enrichment & Quality of Life

- **Resource Access:** While the Chamber itself doesn't directly provide mental health or transportation services, it plays a key role connecting community members to vital local resources:
 - **Mental Health:** Helps with several resources and gives out to many seeking help. Such as Righteous Roots, Hospitals.
 - **Transportation:** Services like Hill Country Transit District ("The HOP") supply accessible, non-emergency transit for medical and other daily needs across Gatesville and surrounding areas—even though these services are provided outside the Chamber, the Chamber helps raise awareness and encourages local uptake.

Cultural & Event Leadership

- **Local Events & Festivals:** The Chamber is the organizer behind vibrant yearly events that strengthen community bonds and draw visitors—including the Shivarree Festival (with concerts, color run, vendor markets, pageants, car meets, and tournaments), Market Days (vendor markets from March through November), and the Summer Sounds Concert Series in Faunt LeRoy Park.
- **Historic Preservation:** The Chamber's offices are housed in the beautifully restored 1910 Cotton Belt Depot—a symbol of the community's rich history. The restoration, completed in December 1983 with widespread local support, stands as both a homage to the past and a functional community hub. Where many visit asking for resources from Maps of the County to brochures of things to do within the community

Support for Business–Community Relationships

- **Leadership & Liaison:** The Chamber maintains strong ties with businesses, nonprofits, and civic leaders. For instance, a recently appointed Chamber Liaison focuses on collaboration with local entities to enhance growth and community engagement.

Legacy & Community Identity

Explanations of why HOT Funds are needed for the Gatesville Chamber of Commerce

- **"Growing Business, Building Community"**: Emblazoned as the Chamber's motto, this phrase captures our dual mission—empowering economic opportunity while cultivating strong community ties.

Bringing It All Together

The goal of the Gatesville Chamber of Commerce is to serve as a dynamic catalyst for economic growth and community vitality. Whether you're a small entrepreneur or a larger business, the Chamber provides platforms, programs, and promotions to help you flourish. Concurrently, the Chamber enriches local life—promoting access to health and transportation services, preserving downtown heritage, hosting celebratory events, and fostering meaningful connections among residents.

Itemized Detail list of Expenditures

Shivaree consist of a Color Run, Miss Shivaree, Concert

I do not have exact expenditures right now. I cannot book entertainment until I know if we will be granted and blessed with HOT Funds. I am doing this in advance so I know what I will have to work with. I am attaching all the documents I have from June 2025 Shivaree.

Entertainment for both an opener and Headliner. Someone who is not well known is going for 15,000. This does not include hotel, rider or meals. Most names who will draw a small crowd is around 25,000 to 35,000. Bigger names are around 50,000 and more.

Both have Riders which tell us what they want in the green room.

Meals and Hotel coverage for Stagehands, entertainers. Not all have a bus to come in day of.

Stage, lights, sound, and cover.

Generator, Fuel

Marketing with Local Radio, newspaper, facebook, Instagram, tiktok and flyers Carnival. As I said previously in conversation. Carnivals do not do a 80-20 split anymore. They want you to rent each ride. A simple and cheapest ride can go for \$800 a day.

Security officers

Sandwich boards

Rent for the Gatesville Civic Center for Miss Shivaree

Explanations of why HOT Funds are needed for the Gatesville Chamber of Commerce

Miscellaneous items such as ice needed when stage hands run out.

Corks & Kegs

Lynards

Marketing advertising

Entertainment

Glasses for tastings

Explanations of why HOT Funds are needed for the Gatesville Chamber of Commerce

Since assuming the role of Chamber Liaison, and with the full support of the Board of Directors—under the leadership of President Mason Matthews—the Gatesville Chamber of Commerce has worked diligently to expand the impact of our events and strengthen the community's economic growth.

A prime example of this progress is the Shivarree Festival. With Board approval, the Chamber invested in renting professional lighting, sound, and stage equipment to elevate the Shivarree Concert. This allowed us to attract a high-caliber entertainer, Kyle Park, whose performance significantly increased attendance. As we know, the bigger the name the higher the price. The larger audience not only enhanced community pride but also drove measurable economic benefits: local vendors, many of them Gatesville-based, reported stronger sales, and attendees spent dollars at nearby restaurants, retailers, and lodging facilities. This collaboration between the Chamber and the City produced an impact not seen in many years, demonstrating the value of coordinated investment in tourism and cultural events.

Beyond Shivarree, the Chamber has also become a vital resource for outside organizations choosing Gatesville as their event destination. One notable example is the Texas Indian Heritage Association, which held its annual gathering at the Civic Center from June 26–29, 2025. Through Chamber support—including hotel rate coordination and restaurant recommendations—the Association experienced a highly successful event. Data provided by Holiday Inn Express confirms this impact: occupancy reached 100% on June 26, 98% on June 27, 90% on June 28, and 50% on June 29.

Comfort Inn reported for June 26th 100%, June 27th 98.41 %, June 28th 100% and June 29th at 74.60 %.

Based on their positive experience, the Association has since selected Gatesville as their permanent home base, ensuring recurring economic benefits for years to come.

Shivarree weekend further demonstrated the importance of Chamber-driven events in stimulating the local hospitality sector.

Explanations of why HOT Funds are needed for the Gatesville Chamber of Commerce

Holiday Inn Express reported occupancy rates of 100% on June 4, 94% on June 5, and 100% on both June 6 and 7, while additional visitors were accommodated at the Regency Inn.

Comfort Inn reported June 6th 100% and June 7th 98.41%

These figures clearly illustrate the role Chamber programming plays in helping filling local hotels and generating new visitor spending.

Looking ahead, the Chamber is actively working with additional organizations, such as the upcoming Fur Expo, to ensure they receive the same level of support. Each group is provided with tailored information packets highlighting Gatesville's dining, shopping, and attractions, ensuring that their time here benefits the broader business community.

The Gatesville Chamber of Commerce remains committed to leveraging events such as Shivarree, Corks & Kegs, and others to drive hotel occupancy, increase visitor spending, and support local businesses. With continued collaboration and investment, we can ensure that Gatesville grows not only as a destination for events but also as a vibrant community where businesses and residents alike thrive.

**Thank you for your time,
Gatesville Chamber of Commerce**

Expenditures

Providing an exact itemized list of expenditures in advance is difficult, as costs often depend on final vendor agreements and funding approvals. However, the following major expenses are anticipated:

- **Lights, sound, stage, cover, generator, and fuel: \$7,500 – \$9,000**
- **Additional line items are listed in the HOT Funds application and will be finalized once funding is determined.**

These expenditures directly support the purpose of HOT Funds by strengthening our ability to host large-scale community events that draw outside visitors. Few organizations within the community coordinate and execute events of this size independently, making this initiative particularly important for increasing hotel stays and driving economic impact.

Advertising & Marketing Plan

Our marketing efforts will focus on reaching both local and regional audiences to maximize attendance. Strategies include:

- **Local Advertising:** Gatesville Hornet Radio, Gatesville Messenger, and The Sign by HEB
- **Printed Materials:** Flyers and brochures distributed throughout the community and neighboring areas
- **Community Engagement:** Social media promotion and local business partnerships

The targeted audience includes residents of Gatesville, surrounding communities, and visitors seeking family-friendly entertainment and regional events.

Event Planning Timeline

Event planning is ongoing and continuous due to the scale of these community festivals.

- **Current Planning:** Preparations underway for Corks & Kegs (November 8, 2025) and Shivaree (June 6, 2026)
 - **Long-Term Process:** Shivaree planning spans year-round, beginning months in advance and concluding after the event. Major events of this magnitude require ongoing coordination with vendors, sponsors, and the community.
-



Corks / Kegs 2025

May 12, 2025

Dear Appreciated Community Business Partner,

The Gatesville Chamber of Commerce, in collaboration with the City of Gatesville is excited to host the Annual Corks & Kegs Wine Walk on November 8, 2025, 5 p.m. to 8 p.m. in the heart of Gatesville's Historic Downtown. To help ensure the success of this event for both our community and local businesses, we are kindly seeking sponsorships.

The event will be promoted through a mix of print, digital and social media channels, alongside local community outreach by The Gatesville Chamber of Commerce. Tickets are priced at \$45.00 each and will include 12 tastings, a souvenir wine tumbler and a lanyard with insert.

This event will include live music, food trucks, wineries, distilleries, chocolatiers and more.

Ten percent (10%) of all ticket sale proceeds will be announced via social media and donated to The Big Sting, an organization who assists in meeting the financial needs of those in the Gatesville community battling cancer.

We respectfully ask that sponsorship funds be submitted in full by July 10, 2025 to allow for sufficient time for the preparation, printing, delivery and inspection of all event materials, etc.

Please find below a range of sponsorship opportunities available to select from:

A. LIVE MUSIC SPONSOR

Your full color logo in conjunction with the Annual Corks & Kegs full color logo will be prominently displayed on a retractable banner and twenty (20) complimentary tickets to the event will be provided.

Sponsorship Cost: \$5,000

\$ 1000.00

We have first half covered

B. SOUVENIR WINE TUMBLER SPONSOR

Your full color logo in conjunction with the Annual Corks & Kegs full color logo will appear on 500 souvenir wine tumblers. You will also receive eight (8) complimentary tickets to the event.

Sponsorship Cost: \$2,000

Still need full amount (No sponsors)



C. LANYARD WITH INSERT SPONSOR

Your full color logo in conjunction with the Annual Corks & Kegs full color logo will appear on 500 event lanyard ribbons and printed lanyard cards. You will also receive eight (8) complimentary tickets to the event.

Sponsorship Cost: \$2,000 Need Full Amount (no sponsor yet)

D. LAMP POST BANNER SPONSORS (1 SPONSORSHIP PER COMPANY)

We are looking for 30 individual companies to sponsor our 30 lamp post banners. Your logo will appear on one (1), double-sided promotional lamp post banner. These banners will be installed 2-3 weeks prior to the event to promote the event. You will also receive two (2) complimentary tickets to the event.

Sponsorship Cost: \$250

E. OUTDOOR PROMOTIONAL BANNER

Your full color logo in conjunction with the Annual Corks & Kegs full color logo will appear on the outdoor banner located at the youth baseball and soccer fields. You will also receive three (3) complimentary tickets to the event.

Sponsorship Cost: \$400

We sincerely appreciate your support and look forward to a successful event.

Many Thanks,

Yvonne Williams

Yvonne Williams
Chamber Liaison
Gatesville Chamber of Commerce

HOT Reimbursement Grant Application

Please print clearly and complete the following application.

Organization

Today's Date: 09/03/2025

Name of Organization: Cotton Belt Depot Foundation

Mailing Address: 2307 Hwy 36 S

City, State, Zip: Gatesville, TX 76528

Contact Name: Mason K. Matthews

Contact Phone Number: 254-206-0488

Contact E-mail: cottonbeltdepotfoundation@gmail.com

Is your organization: Non-profit Private/For-Profit Tax ID# 26-07-15674

Purpose of your organization:

Restorations, maintenance, and improvements to the historic cotton belt depot.

Proposal Information

Does your Event/Expenditure pass **Part One** of the statutory test, defined specifically as directly enhancing and promoting tourism in Gatesville **AND** directly promoting the overnight accommodation industry in Gatesville by increasing overnight stays? Yes No

Does your Event/Expenditure pass **Part Two** of the statutory test, defined specifically as limiting the use of Hotel Occupancy Tax funds to one or more of the following categories? (1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center; (2) Paying the administrative costs for facilitating convention registration; (3) Paying for advertising, solicitations, and promotion that attract tourists and convention delegates to the city or its vicinity; (4) Expenditures that promote the arts; (5) Funding historical restoration or preservation programs; (6) Certain sporting event related expenses; (7) Certain tourist shuttles; (9) signage directing tourists to attractions frequently visited by hotel guests Yes No

If the answer to one of the above two questions is no, you are NOT eligible for Hotel Occupancy Tax (HOT) funds and need not continue.

Event or Expenditure Description

- 1) Name of your event/expenditure: Digital Sign
- 2) Website address of your event/expenditure: Facebook <https://www.facebook.com/p/Cotton-Belt-Depot-Foundation-61555904139108/>
- 3) Date (s) of event/expenditure: As soon as possible
- 4) Will there be an admission charge for this event/expenditure? Yes ☐ No ☐
- 5) Please list any additional charges for this event/expenditure (i.e. parking, entry fees for contests, etc...)
- | | | | |
|----------|-------|------|-------|
| Activity | _____ | Cost | _____ |
| Activity | _____ | Cost | _____ |
| Activity | _____ | Cost | _____ |

6) Primary location of event/expenditure: 2307 S Hwy 36 Gatesville TX 76528

7) What is specifically being marketed or promoted (i.e. facility, event, etc...)

Any and all events in and around the City of Gatesville to promote tourism.

8) Purpose and goal of your organization and who benefits from your success:

Restorations, maintenance, and improvements to the historic cotton belt depot building. Beneficiaries include the City of Gatesville, Gatesville Chamber of Commerce board and members,

Visitor Impact

1) Previous year's number of persons expected attending this event/expenditure:

Local: 0

Out of Town: 0

2) Number of total persons expected to attend this event/expenditure:

Local: 8,000

Out of Town: 10,000

3) Approximately number of people attending/visiting event or expenditure will stay overnight in Gatesville' hotels, motels or bed and breakfasts? Subject to events advertised

4) Do you reserve a room block for this event/expenditure? Yes ☐ No ☐

5) Which hotels have you negotiated a special rate if this reimbursement request is being used for an event? Please list hotels (do not list rates).

Subject to events advertised.

Funding Request

Amount Requested: \$34,128.78

Does the proposed event plan to become self-supporting in the future? Yes No

Total advertising/promotion budget: \$45,505

a) What is your organization's direct contribution to the above? \$11,376.25

b) What other sources of funding are being applied for or have been received for the advertising/promotion of your organization?

The Cotton Belt Depot Foundation is prepared to fund 25% of the cost of a new digital message board at the Gatesville Chamber of Commerce located at 2307 S Hwy 36. Gatesville, TX 76528.

c) How will the funds be used?

Construction of a new digital sign for advertisement purposes. Advertising includes events hosted in and around the City of Gatesville to promote tourism.

d) Please indicate all promotion efforts your organization is coordinating and the amount financially committed to each media outlet:

Paid Advertising \$ Radio \$ Newspaper \$

Press Releases to Media \$ Television \$

Direct Mailing \$ Distribution of Brochures \$

Other (describe) \$ 11,376.25 in reserve funds for the cost of the sign.

Required Attachments

Along with the application, please submit the following attachments:

- ✓ 1. Itemized, detailed list of expenditures relevant for HOT revenue use
- ✓ 2. Advertising/ Marketing Plan, including targeted audience, detailed list of media to be used Use social media to advertise new sign!
- ✓ 3. List of Board of Directors/ Event Committee with contact phone numbers Attached
- ✓ 4. Event planning timeline ASAP
- ✓ 5. Schedule of activities relating to your event/ expenditure Install Sign

Local HOT Use Request for Funding Agreement Form

Please return completed application with necessary attachments and signature to the City of Gatesville, 803 East Main Street, Gatesville, TX 76528, by the grant application deadline. If you have any application questions, please contact Mike Halsema, City of Gatesville CFO, at 254.865.8951, or mhalsema@gatesvilletx.com.

I fully understand the Local Hotel Occupancy Tax (HOT) Special Events Grant Application, Application Process, Reimbursement Process, and Rules Governing the Application established by the City of Gatesville. I intend to use this funding for the aforementioned event to forward the efforts of the City of Gatesville in **directly** enhancing and promoting tourism and the convention and hotel industry by attracting visitors from **outside** Gatesville into the city or its vicinity.

I have read the Local Hotel Occupancy Tax (HOT) Special Events Grant Application guidelines including the Rules Governing the Application and the Reimbursement Process.

I understand that if I am awarded my request for Hotel Occupancy Tax (HOT) funding by the City of Gatesville, any deviation from the approved event or from the Rules Governing the Application may result in the partial or total withdrawal of the Local Hotel Occupancy Tax (HOT) Special Events Grant Application.

Cotton Belt Depot Foundation

Organization Name



Applicant's Signature

9.3.25

Date

Post Event Form Hotel Occupancy Tax Funding

Thank you for your interest in promoting tourism and the hotel industry in Gatesville through the utilization of the City of Gatesville Hotel Occupancy Tax (HOT) funds. The Texas Tax Code provides a set of rules that state how the revenue from the Hotel Occupancy Tax may be used **only** to **directly** enhance and promote tourism and the hotel and convention industry. The use of Hotel Occupancy Tax (HOT) funds is limited to:

1. Funding the establishment, improvement, or maintenance of a convention center or visitor information center
2. Paying the administrative costs for facilitating convention registration
3. Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the county or its vicinity
4. Expenditures that promote the arts.
Please note that it is not enough that a facility or event promotes the arts; state law requires that the expenditure also must be likely to directly promote tourism and the hotel and convention industry.
5. Funding historical restoration or preservation programs
6. Certain sporting event related expenses
7. Signage directing tourists to attractions frequently visited by hotel guests.

The City of Gatesville accepts applications from organizations meeting the criteria and wishing to receive Hotel Occupancy Tax (HOT) funds in assistance with their event/project.

All entities that are approved for such funds must submit a Post Event Form for each funded event. The report must be accurately completed which will then be reviewed by the City of Gatesville to determine how well the entity met its goals and be used in consideration of future hotel occupancy tax funding requests.

A copy of all invoices **must** be attached.

Questions may be directed to the City of Gatesville, Mike Halsema, CFO, at 254.865.8951.

PLEASE NOTE: FAILURE TO SUBMIT THIS FORM WILL RESULT IN INELIGIBILITY FOR FUTURE FUNDING FROM CITY OF GATESVILLE HOTEL OCCUPANCY TAX

Cotton Belt Depot Foundation Board Members

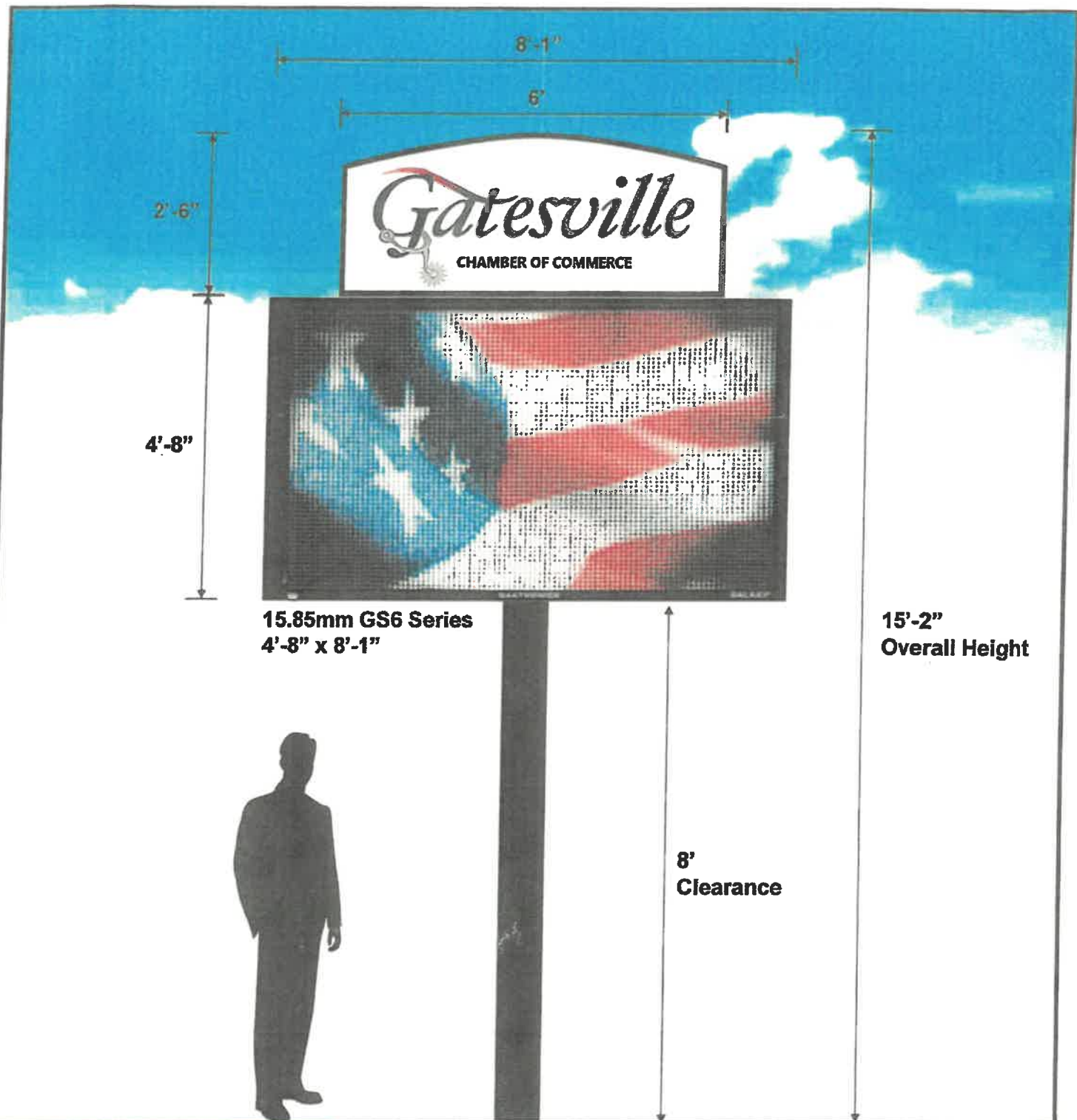
carladmanning@gmail.com	254-865-3617	Carla Manning
beckamoore@gmail.com	254-223-1444	Becky Moore
lajean.mueggeair@gmail.com	254-223-0584	Lajean Muegge
matrew01@gmail.com	254-206-0488	Mason Matthews
ggunnels1998@gmail.com	254-223-4325	Garrett Gunnels
monicalhinds@yahoo.com	817-823-9030	Monica Hinds
bronchoeagle@yahoo.com	254-248-7695	Ernesto Mendoza
gacasey1972@yahoo.com	254-206-0056	Greg Casey
sacasey1215@gmail.com	254-206-0092	Seth Casey
asmith35173@gmail.com	254-223-0676	Aaron Smith
ejblakley7@gmail.com	254-223-0213	Emma Blakley

The request for hotel occupancy tax funds for a new digital sign at the Cotton Belt Depot in Gatesville could significantly benefit the city's promotion in several key ways:

1. **Increased Visibility for the City:** A digital sign is highly visible and dynamic, allowing for frequent updates and announcements. This could be particularly useful in promoting local events, attractions, and businesses, enhancing the city's visibility for visitors and tourists who may be passing through or planning to stop.
2. **Showcasing Local Events:** Gatesville could use the digital sign to advertise upcoming events, festivals, concerts, and local happenings in real-time. This can drive more foot traffic to the city, encouraging visitors to stay longer, explore, and support local businesses.
3. **Tourism Promotion:** The Cotton Belt Depot is an iconic historic site, and a digital sign can showcase the city's rich history, landmarks, and tourism offerings. The sign could provide information about other key attractions and historical sites within the city, boosting tourism interest.
4. **Promoting Local Businesses:** The sign could be a tool for local businesses to advertise their services and sales, which can be particularly important for small businesses looking to gain more exposure. By providing businesses with an affordable and effective advertising platform, it helps keep dollars circulating within the local economy.
5. **Attracting Future Visitors and Investors:** A well-placed digital sign can make a positive first impression on potential investors, tourists, and new residents. It signals that Gatesville is a forward-thinking community with an eye toward modernizing its infrastructure while maintaining a connection to its history.
6. **Sponsorship Opportunities:** Local businesses and organizations could sponsor parts of the sign or certain messages, creating an additional revenue stream. This not only helps sustain the operation of the sign but also offers a way for local businesses to promote themselves and support the city's development.
7. **Enhancing Communication:** Digital signs can quickly relay important information, such as weather alerts, emergency notices, or civic updates, which are especially helpful for residents and visitors alike, contributing to better communication and community engagement.
8. **Year-Round Promotion:** Unlike static signage, digital signs can operate 24/7 and adjust based on time of day, season, or special events. This allows for continuous promotion without the need for constant manual updates or replacement of physical materials.

By requesting hotel occupancy tax funds for this project, the Gatesville Chamber of Commerce Foundation is positioning the Cotton Belt Depot as a hub for community connection, business

growth, and tourism promotion, all of which can help stimulate the local economy and improve the city's overall brand and appeal.



SPECIFICATIONS

(1) New Double-Sided, Lighted Cabinet with Daktronics Electronic Sign

Cabinet: .040 Prefinished Aluminum, Black

Faces: Flat 3/16" White Acrylic with Digital Print Graphics

Lighting: GE White Prism Modules, 60w/12v Power Supplies

Daktronics GS6 Series 15.85mm RGB

CLIENT: Gatesville Chamber of Commerce

ADDRESS: Gatesville, TX

LOCATION: Freestanding Sign

DATE: 02/12/2025

Jackson
Sign & Lighting, Inc.
SERVICE • INSTALLATIONS • MFG

22007 BUSH DRIVE | P.O. BOX 23087 | TEL. • 254-751-0390
WACO, TEXAS 76712 | WACO, TEXAS 76702-3087 | FAX • 254-751-0776

UL LISTED Scale Date



P.O. Box 23087, Waco, TX 76702
22007 Bush Drive, Waco, TX 76712
Office (254) 751-0390
Fax (254) 751-0776
www.jacksonsigntx.com

02/12 /2025

GATESVILLE CHAMBER of COMMERCE
2307 TX-36 BUS.
Gatesville, TX 76528

RE: ELECTRONIC MESSAGE/I.D. POLE SIGN

Mason Matthews,

We appreciate the opportunity to submit our proposal to FURNISH & INSTALL
(1) 2-SIDED RGB FULL COLOR ELECTRONIC MESSAGE SIGN & TOP 30"x72"
lighted I.D. sign.

OPTION 1 : GS6 SERIES-80x150-15.85mm-RGB-2V. PRICE: \$ 45,505.00
SIZE: 4'-8" X 8'-1"

OPTION 2 : GT6x SERIES-108x216-10mm-RGB-2V. PRICE: \$ 45,105.00
SIZE: 4'-2" X 7'-6"

PAYMENT SCHEDULE: DEPOSIT 50% of EMS UNIT REQUIRED WITH ORDER; PROGRESS
PAYMENT REMAINING 50% of EMS UNIT due when it is ready to ship; FINAL PAYMENT
Due at COMPLETION.

NOTE: PRIMARY ELECTRICAL POWER TO SIGN, PROVIDED BY OWNERS.

NOTE: CREDIT CARD PAYMENTS WILL REQUIRE AN ADDITIONAL 3% FEE .

NOTE: LIVE DEMONSTRATION AVAILABLE ON-SIGHT.

To approve this quote, please sign this document and e-mail it to our office at
jsigns@hotmail.com
Production will not begin until the deposit payment and signed quote has been received.

. QUOTE VALID FOR 30 DAYS.

Thank you...
Wendell Jackson
Jackson Sign & Lighting, Inc.

AUTHORIZED SIGNATURE _____





Date 10/14/2025

Agenda Item 8

Resolution 2025-110

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Brad Hunt, City Manager

Agenda Item: Discussion and possible action regarding a resolution approving a Facilities Agreement for Sanitary Sewer Infrastructure.

Information:

The developer, Gatesville Crossing L.P. owns the property and development rights located at 2909 S Hwy 36; Gatesville Crossing Subdivision; Lot 1, 5.89 Acres, PID 115257. The developer intends to develop a residential development on the property. To serve the project property at the developer's expense, the developer will design, construct, and install sanitary sewer infrastructure facilities which includes a 4" C-900 PVC pressure pipe force main sanitary sewer line encased in a 10" steel casing (Force Main).

The Force Main will be required to be constructed and installed on the development property and under SH 36 at a point authorized by TxDOT and continued onto the adjacent property on the opposite side of SH 36 which is owned by Dany Kyle Pruitt Estates Tax Exemption Trust.

All parties have agreed that upon final inspection of the Force Main by the City of Gatesville, which will confirm that it has been built, constructed, and installed in compliance with all federal, state, and local laws and regulations. The developer has agreed to dedicate and/or transfer ownership of the Force Main and the Sewer Easement (originally granted to the developer by Pruitt Trust) to the City of Gatesville. Once completed and ownership is transferred, the City of Gatesville will be responsible for maintenance.

This agreement was reviewed and edited by City Attorney, Victoria Thomas and all parties have verbally agreed.

Financial Impact:

There is no immediate financial impact.

Staff Recommendation:

Staff recommends approval of the Facilities Agreement for Sanitary Sewer Infrastructure.

Motion:

Motion to approve **Resolution 2025-110**, authorizing the City Manager to sign the Facilities Agreement for Sanitary Sewer Infrastructure on behalf of the City of Gatesville.

Date 10/14/2025

Agenda Item 8

Resolution 2025-110

Attachments:

- Agreement
- CAD Map of property

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Gatesville, Texas, this the ____ day of _____, _____, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary



STATE OF TEXAS §
 § **FACILITIES AGREEMENT**
 § **FOR SANITARY SEWER**
 § **INFRASTRUCTURE**
COUNTY OF CORYELL §

This Agreement (the “Agreement”) is made and entered into effective as of the _____ day of _____, 2025, by and between the City of Gatesville, Texas (the “City”), and Gatesville Crossing, LP, a Texas limited partnership (“Developer”), under the terms and conditions stated herein. City and Developer may each be referred to herein as a “party” and collectively as the “parties.”

WHEREAS, the Developer owns development rights to certain real property within the City, situated in Coryell County, Texas consisting of approximately 5.890 acres of land, which is more particularly described and depicted on Exhibit “A” (the Property), and

WHEREAS, the Property is situated adjacent to Texas State Highway 36 (“SH 36”) with the property on the opposite side of SH 36 (the “Pruitt Trust Property”) being owned by Danny Kyle Pruitt Estate Tax Exemption Trust (“Pruitt Trust”); and

WHEREAS, Developer intends to develop a residential development on the Property (the “Project”); and

WHEREAS, to serve the Project, Developer, at its sole expense, will design, construct and install sanitary sewer infrastructure facilities including, without limitation, a four (4”) inch C-900 PVC pressure pipe force main sanitary sewer line encased in a ten (10”) inch steel casing (collectively, the “Force Main”), which Force Main will be required to be constructed and installed on the Property and, from the Property, the Force Main shall be installed under SH 36 at a point authorized by Texas Department of Transportation (“TxDOT”), to thereafter continue construction and installation on the Pruitt Trust Property specifically in the area of a sanitary sewer easement granted by The Pruitt Trust to Developer(the “Force Main Alignment”); and

WHEREAS, a true and correct copy of the sanitary sewer easement granted by the Pruitt Trust to Developer is attached hereto and incorporated herein by this reference as Exhibit “B;” and

WHEREAS, the City has agreed, on the terms and conditions stated herein, to submit application to TxDOT utilizing the TxDOT Right-of-Way Utility Line Information System (“RULIS”) an application for authorization for the bore and the construction and installation of the Force Main under SH 36; and

WHEREAS, Developer has agreed that it will be solely responsible for designing, constructing, and installing the Force Main along the Force Main Alignment at its sole

expense, including preparation of all engineering and other related documents, plans and specifications needed for the project and specifically needed by City in making application to TxDOT for authorization for the bore and placement of the Force Main under SH 36; and

WHEREAS, the parties have agreed that upon final inspection of the Force Main by the City, which confirms that it has been built, constructed, and installed in compliance with all federal, state, and local laws and regulations, Developer shall dedicate and/or transfer ownership of the Force Main and the Sewer Easement (originally granted to Developer by Pruitt Trust) to the City shall thereafter take possession, custody and control of the Force Main and the sewer easement and be responsible for maintenance thereof;

NOW THEREFORE, for and in consideration of the mutual covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged and agreed by the parties, the City and the Developer agree as follows:

1. Recitals Incorporated. The recitals set forth above are determined and agreed by the parties to be true and correct and they are incorporated herein by this reference and made a part of this Agreement for all purposes.

2. Scope of Work and Obligations of the Parties.

- A. **The Developer** shall, at its sole expense, design and prepare all documents necessary for construction and installation of the Force Main, including but not limited to engineering, plans and specifications, necessary for the City's submission of request for authorization for the Bore and construction and installation of the Force Main under SH 36 and shall make any and all of the documents available to City in a timely fashion as requested by City.
- B. Within seven (7) business days of receipt and approval of all information and documents required by TxDOT, **City** will submit a request for authorization for the Bore to TxDOT utilizing RULIS. **City** will notify Developer of any additional information needed by TxDOT for the authorization and **Developer** shall provide such information as expeditiously as possible to City.
- C. **City** will notify Developer within three business days of receipt from TxDOT of the authorization for the Bore and construction and installation of the Force Main under SH 36 in conjunction with the installation and construction of the Force Main. ,
- D. **Developer** will, within ten (10) business days of receipt of the TxDOT authorization for the Bore and construction and installation of the Force Main under SH36, and in the due course and as a part of the development of its Project, cause its contractor (or its own forces) to build, construct and install the Force Main, as described herein and as set forth more specifically on Exhibit "C," attached hereto and incorporated herein by this reference, in accordance with standard City-issued and adopted construction details and

specifications. The **Developer** shall be solely responsible for the installation and construction of the Force Main, the payment for all labor, services, materials and equipment associated with the construction, and compliance with all laws applicable thereto, including but not limited to City-imposed construction details and standards.

- E. Upon completion and final inspection by **City**, the **Developer** shall, in accordance with City ordinances, dedicate the Force Main as well as the Sanitary Sewer Easement (originally provided by Pruitt Trust to Developer) to the City using dedication instruments approved by the City Attorney.
- F. Upon a finding that the Force Main has been duly designed, constructed and installed in accordance with all plans and specifications, as well as standard City-issued and adopted construction details and specifications, and further upon a finding (based upon payment affidavit of Developer) that all contractors and subcontractors have been paid, the **City** shall accept the dedication of the Sanitary Sewer Easement and the Force Main and shall thereafter be responsible for maintenance thereof.

3. Design and Construction. The design and construction of the Force Main will be in accordance with applicable ordinances, regulations and construction standards and details of the City at the time of the execution of this Agreement. If construction does not commence within twenty-four (24) months after the execution of this Agreement, all construction must comply with any ordinances and regulations of the City at the time construction commences.

4. Completion and Acceptance. The Developer shall be responsible for all costs associated with the design, construction and installation of the Force Main, including all fees or expenses the City may incur in obtaining authorization from TxDOT for the bore and construction and installation of the Force Main under SH36. The parties acknowledge that the responsibility for the operation, maintenance, repair or replacement of the Force Main following acceptance of dedication shall be the responsibility of the City; provided, however, that City shall have the right to make a claim on the maintenance bond required under Section 5 hereof during the warranty period to defray such costs of maintenance, repair, and/or replacement.

5. Bonds; Maintenance of Force Main. The Developer shall require the contractor performing the construction of the Force Main to provide to the City a maintenance bond covering 100% of the cost of the Force Main for a period of two (2) years from the date of final acceptance of such Force Main by the City. The City shall be responsible for all maintenance, operation, repair and replacement and may make claim upon the maintenance bond to cover such costs during the warranty period. Developer shall commence construction of the Force Main, and any associated improvements as may be required herein as soon as practicable. If development of the Project is not commenced by issuance of one or more building permits issued by the City within two (2) years of the effective date of this Agreement, this Agreement shall be deemed void.

6. Assignment of Agreement. This Agreement shall not be assigned without the prior written consent of the City, unless such assignment is to an affiliate, parent or subsidiary of Developer, in which case, no City consent shall be required.

7. Authority. Each of the parties represents and warrants to the other that they have the full power and authority to enter into and fulfill the obligations of this Agreement. Each party acknowledges and agrees that this Agreement is binding upon such party and enforceable against such party in accordance with terms and conditions hereof.

8. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the parties to this Agreement.

9. Consideration. This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

10. Representations. Each party represents this Agreement has been read by the party for which this Agreement is executed and that such party has had an opportunity to confer with its counsel.

11. Miscellaneous Drafting Provisions. This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.

12. Time is of the Essence. Time is of the essence in the performance of all obligations of each party to this Agreement.

13. Release of Platted Lots. Notwithstanding anything to the contrary contained herein, the obligations herein which burden the Project shall be released automatically as to each platted lot therein upon the conveyance of such platted lots by Developer to a third party and as to each common area lot therein upon the conveyance to a homeowner's association. Any third party, including without limitation any title company, grantee or lienholder, shall be entitled to rely on this provision to establish whether such termination has occurred with respect to any lot. The parties agree that the improvements to be made pursuant to this Agreement are exempt from competitive bidding requirements pursuant to Sections 252.022(a)(9) and 252.022(a)(11) of the Texas Local Government Code and Section 311.010(g) of the Texas Tax Code.

14. Building Permits. Developer agrees that the City may refuse to issue building permits for the Project until the Force Main has been constructed by Developer and dedicated to and accepted by the City.

15. Not a Partnership. The parties acknowledge that this Agreement shall in no way be construed as the approval of any permit, plans, or specifications, nor a waiver of any fees or any requirements imposed by law or ordinance of any kind. This Agreement shall not be construed as creating a partnership, any form of joint venture, or an independent contractor relationship between the parties.

16. Default. If Developer or its successor under this Agreement fails to comply with any of the provisions of this Agreement, and such failure continues for a period of thirty (30) days after notice thereof, the City may terminate its obligations under this Agreement and may, at the City's sole option, pursue any remedies lawfully available to it.

17. Compliance with Law. The parties agree that Developer is subject to all ordinances of the City at the time of the execution of this Agreement, and Developer shall comply with all federal, state and local laws, regulations and requirements.

18. Notice. Any notice to be given or to be served upon a party hereto in connection with this Agreement must be writing and shall be given by certified or registered mail or by hand delivery and shall be deemed to have been given and received when a certified or registered letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail, or if given by hand delivery, it shall be deemed to have been given when delivered to the party (or such party's agent or representative) to whom it is addressed. Such notice shall be given to the parties hereto at the address set forth below. Any party may, at any time by giving two (2) days written notice to the other party, designate any other address in substitution of the foregoing address to which such notice shall be given.

If to the City:

City of Gatesville, Texas
Attn: City Manager
803 E. Main Street
Gatesville, Texas 76528

If to Developer:

Gatesville Crossing, LP

19. Law, Venue, Immunity. This Agreement shall be construed under and in accordance with the laws of the State of Texas and is specifically performable in Coryell

County, Texas. Exclusive venue shall be in state district court in Coryell County, Texas. By entering into this Agreement, the City does not and shall not be deemed to waive its defenses or immunities, whether governmental, sovereign, official, qualified or otherwise. Nothing in this Agreement shall create, grant or confer any right or interest to any person who is not a party to this Agreement, and it is acknowledged that there are no third party beneficiaries to this Agreement.

20. Non-Waiver. Any failure by a party to insist upon performance by another party of any material provision of this Agreement shall not be deemed a waiver thereof, and the party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

21. Force Majeure. The performance of this Agreement may be suspended and the obligations of either party excused in the event of and during the period that such performance is prevented or delayed by a Force Majeure occurrence. "Force Majeure" shall mean any actual or threatened act of God, including hurricanes, tornadoes, landslides, lightning, earthquakes, weather conditions, fire, flood, explosion, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot, civil disturbance, strike or other labor disturbances, or any other cause beyond the reasonable control of either party.

22. Binding Effect. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and authorized assigns.

23. Counterparts. This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes.

24. Covenant Running with the Land. This Agreement shall be a covenant running with the land. After complete performance of all obligations under the Agreement, or upon the termination of this Agreement pursuant to its terms, upon request by Developer the City shall execute a recordable release of the Property from this Agreement.

(signature page to follow)

Executed by the parties hereto effective as of the date first set forth above.

For Developer:

For the City:

GATESVILLE CROSSING, LP

CITY OF GATESVILLE, TEXAS

By _____

By: _____

Name: _____

Bradford Hunt, City Manager

EXHIBIT A

EXHIBIT B

EXHIBIT C

4938-3529-4570, v. 1



Date 10/14/2025

Agenda Item 9

Resolution 2025-111

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Mike Halsema, Deputy City Manager

Agenda Item: Discussion and possible action to consider replacing and disposing of the fleet mechanic vehicle.

Information:

As part of the FY26 budget, a fleet replacement for the fleet mechanics vehicle was included for \$80,000 out of the General CIP fund. The current vehicle is a gas 2017 Chevy 3500 with 62k miles and a repurposed ambulance box for a utility bed. The box is not strong enough to support air compressors and welding equipment and frequently stresses the metal.

Financial Impact:

Recent changes to purchasing law have raised the sealed RFP process to items over \$100k. Staff did reach out to 3 vendors, and SPUR of Gatesville had the best pricing. The attached quote includes trading the existing vehicle with a \$17k credit towards the purchase price. The total net purchase price is \$67,774.72.

Staff Recommendation:

Staff recommends disposing the existing fleet mechanic vehicle and purchasing a replacement vehicle including appropriate utility bed through SPUR Chrysler Dodge Jeep RAM of Gatesville

Motion:

I move to authorize the City manager to execute all documents necessary to purchase a 2026 Ram 3500 with utility bed from SPUR Chrysler Dodge Jeep Ram of Gatesville for a net purchase price of \$67,774.72 after application of a \$17,000.00 credit for trade-in of the City's 2017 Chevy 3500.

Attachments:

- SPUR Quote

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Gatesville, Texas, this the ____ day of _____, _____, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

Date 10/14/2025

Agenda Item 9

Resolution 2025-111

APPROVED

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary

PURCHASER CITY OF GATESVILLE
ADDRESS 803 EAST MAIN STREET
CITY GATESVILLE STATE TX ZIP 76528
RES. PHONE (254)854-8951
BUS. PHONE N/A
E-MAIL N/A DATE 10/07/2025
MOBILE NO. (254)854-8951
PLEASE ENTER MY ORDER FOR THE FOLLOWING DESCRIBED
MOTOR VEHICLE: ☒ NEW ☐ USED ☐ DEMO ☐ RENTAL ☐ FACTORY OFFICIAL
VEHICLE SOLD:

RETAIL BUYERS ORDER
SPUR CHRYSLER DODGE JEEP RAM
106 Highway 36 S
Gatesville, TX 76528

DEAL NO. S260027 CUSTOMER NO.
MILEAGE ON PURCHASED VEHICLE: 9
Accurate Unless Marked Not Accurate [] NOT ACCURATE

MAKE	YEAR	MODEL	BODY TYPE	COLOR	TRIM	STK NO.	SERIAL NO.
RAM	2026	3500 CHASSIS CAB	TRADESMAN	WHITE	-X8	S260027	3C7WRTCL3TG155863

TRADE IN RECORD - TRADE 1			
YEAR	MAKE	MODEL	TYPE
2017	CHEVROLET	SILVERADO 3500H	2WD CREW CAB 167.7"
VIN # 1GC4CYCG5HF158410			
MILEAGE: (Accurate Unless Marked Not Accurate) [] NOT ACCURATE 61662 Salvage Vehicle? [] YES			
BALANCED OWED \$ N/A (Good Until N/A) Trade-In Allowance 17,000.00			
TRADE IN RECORD - TRADE 2			
YEAR	MAKE	MODEL	TYPE
N/A	N/A	N/A	N/A
VIN # N/A			
MILEAGE: (Accurate Unless Marked Not Accurate) [] NOT ACCURATE 61,662 Salvage Vehicle? [] YES			
BALANCED OWED \$ N/A (Good Until N/A) Trade-In Allowance N/A			
REMARKS:			
DEPOSIT (PARTIAL PAYMENT) RECEIPT - Purchaser hereby provides to the Dealer the sum of \$ N/A as Non-Refundable Deposit/Partial Payment for the vehicle described above. If this Receipt is for a Deposit, Dealer will refrain from selling the described vehicle for days from the date of Deposit. X			
NEGATIVE EQUITY DISCLOSURE & CONSENT - I am aware that the balance owed on my trade-in vehicle or the amount owed on my lease turn in vehicle exceeds the trade-in allowance from the dealer. As a result, I have requested that the "Total Due" be increased by the difference, \$ N/A (known as negative equity). X			
ARBITRATION - I agree that any dispute arising from this transaction will go to arbitration and I have executed a detailed arbitration agreement which is fully incorporated herein. Arbitration is not required for the purchase or financing of your vehicle. X			

PRICE OF VEHICLE	\$	84,231	18
OTHER GOODS AND SERVICES			
N/A			N/A
N/A			N/A
N/A			N/A
N/A			N/A
N/A			N/A
N/A			N/A
N/A			N/A
N/A			N/A
N/A			N/A
N/A			N/A
DOCUMENTARY SERVICE FEE		225	00
TOTAL PRICE		84,456	18
TRADE-IN ALLOWANCES	(17,000	00)
TAX BASE		67,456	18
SALES TAX 6.41 %		134	04
TITLE FEE		28	00
REGISTRATION FEE		156	50
PLUS PAYOFF ON TRADE VEHICLE(S)			N/A
TOTAL DUE		67,774	72
LESS INTIAL PAYMENT CASH DOWN	\$		N/A
LESS REBATE/FACTORY INCENTIVE			N/A
LESS REBATE/FACTORY INCENTIVE			
BALANCE DUE	\$	67,774	72

ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER OTHER THAN DEALER ARE THEIRS, NOT DEALER'S, AND ONLY SUCH MANUFACTURER OR OTHER SUPPLIER SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES. UNLESS DEALER FURNISHES PURCHASER WITH A SEPARATE WRITTEN WARRANTY OR SERVICE CONTRACT MADE BY DEALER ON ITS OWN BEHALF, DEALER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THE VEHICLE AND ANY RELATED PRODUCTS AND SERVICES SOLD BY DEALER. DEALER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY LIABILITY IN CONNECTION WITH THE SALE OF THE VEHICLE AND THE RELATED PRODUCTS AND SERVICES. IN THE EVENT THAT A WRITTEN WARRANTY IS PROVIDED BY DEALER OR A SERVICE CONTRACT IS SOLD BY DEALER ON ITS OWN BEHALF, ANY IMPLIED WARRANTIES ARE LIMITED IN DURATION TO THE TERM OF THE WRITTEN WARRANTY/SERVICE CONTRACT.

CONTRACTUAL DISCLOSURE STATEMENT (USED VEHICLES ONLY) THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE. GUÍA PARA COMPRADORES DE VEHÍCULOS USADOS. LA INFORMACION QUE APARECE EN LA VENTANILLA DE ESTE VEHICULO FORMA PARTE DE ESTE CONTRATO. LA INFORMACIÓN CONTENIDA EN EL FORMULARIO DE LA VENTANULA ANULA CUALQUIER PREVISION QUE ESTABLEZCA LO CONTRARIOY QUE APAREZCA EN EL CONTRATO DE VENTA.

If the purchase of the motor vehicle described herein is to be financed this agreement is subject to credit approval and assignment of a retail installment sales contract to a financial institution, and the Annual Percentage Rate (APR) may be negotiated with dealer and dealer may receive compensation for arranging financing on customer's behalf. These documents are fully incorporated herein (where applicable): Conditional/Spot Delivery Agreement, We Owe/Delivery Report, Used Vehicle Limited Warranty and Retail Installment Sales Contract.

NO ORAL REPRESENTATIONS HAVE BEEN MADE TO THE PURCHASER and all terms of the agreement are contained on the front and back of this agreement and any documents incorporated herein. I have read the terms and conditions of this Agreement, both on front and back, and agree to them. I certify that I am at least 18 years old, and acknowledge receipt of a copy of this agreement.

I UNDERSTAND THAT THIS RETAIL BUYERS ORDER IS NOT BINDING UNLESS ACCEPTED BY DEALER OR HIS AUTHORIZED AGENT.

This motor vehicle contract is executed this 7 day of OCTOBER, 2025.	
PURCHASER(S)	
SALESPERSON	ACCEPTED BY AUTHORIZED AGENT

ADDITIONAL TERMS AND CONDITIONS

1. AS USED IN THIS AGREEMENT THE TERMS "DEALER" SHALL MEAN THE PERSON OR COMPANY TO WHOM THIS AGREEMENT IS ADDRESSED AND WHO SHALL BECOME A PARTY TO THIS AGREEMENT BY ITS ACCEPTANCE; "I", "PURCHASER" AND/OR "PURCHASER(S)" SHALL MEAN THE PARTY/ PARTIES INITIATING THIS AGREEMENT AS STATED ON THE FACE OF THE AGREEMENT; "MANUFACTURER" SHALL MEAN THE CORPORATION THAT MANUFACTURED THE VEHICLE OR CHASSIS. IT BEING UNDERSTOOD, BY THE PURCHASER AND DEALER THAT DEALER IS IN NO RESPECT THE AGENT OF THE MANUFACTURER, DEALER AND PURCHASER (ALONG WITH ANY CO-PURCHASERS) ARE THE SOLE PARTIES TO THE AGREEMENT AND ANY REFERENCE TO THE MANUFACTURER IS FOR THE PURPOSE OF EXPLAINING GENERALLY CERTAIN CONTRACTUAL RELATIONSHIPS EXISTING BETWEEN THE DEALER AND MANUFACTURER. "DOCUMENT" AND "AGREEMENT" SHALL MEAN THIS RETAIL BUYERS ORDER PLUS ANY OTHER WRITING RELATIVE IN ANY WAY TO THE PURCHASE TRANSACTION NOTED ON THE FACE OF THIS RETAIL BUYERS ORDER.
2. PURCHASER AGREES TO PAY THE BALANCE ON THE TERMS SPECIFIED AND ACCEPT DELIVERY OF VEHICLE WITHIN FORTY-EIGHT (48) HOURS AFTER BEING NOTIFIED THAT SAID VEHICLE IS READY, FAILURE TO TIMELY ACCEPT DELIVERY BY PURCHASER OF VEHICLE SHALL GIVE DEALER THE RIGHT TO DISPOSE OF ANY VEHICLE TRADED IN, TREATING ANY CASH CONSIDERATION RECEIVED AS A DEPOSIT AND RETAINING SAME, AND AT DEALER'S OPTION, THE RIGHT TO RETAIN ANY DEPOSIT AND TO PURSUE ANY OTHER REMEDY AVAILABLE UNDER LAW, IF DEALER PAID ANY NEGATIVE EQUITY BALANCE ON THE TRADE VEHICLE, OR VEHICLE WAS A LEASE TURN-IN AND DEALER HAS ALREADY PAID THE BALANCE OWED, PURCHASER SHALL PAY TO DEALER THE AMOUNT PAID ON PURCHASER'S BEHALF.
3. PURCHASER ACKNOWLEDGES THAT IF ANY TRADED-IN VEHICLE IS RETAINED BY PURCHASER UNTIL THE VEHICLE PURCHASED IS READY FOR DELIVERY THAT UPON DEMAND SAID VEHICLE WILL BE SURRENDERED TO DEALER.
4. IF AT THE TIME OF EXECUTION OF THIS ORDER, THE USED MOTOR VEHICLE TO BE TRADED IS NOT DELIVERED SIMULTANEOUSLY, SUCH USED MOTOR VEHICLE ALLOWANCE SHALL BE SUBJECT TO REAPPRAISAL AT TIME OF DELIVERY OF VEHICLE PURCHASED FOR PHYSICAL DAMAGES AND/OR CHANGES IN MARKET VALUATIONS. IF THERE IS ANY DISPUTE AS TO THE AMOUNT OF THE REAPPRAISAL TO DETERMINE THE USED VEHICLE ALLOWANCE, SAID DISPUTE SHALL BE SETTLED BY USING THE VALUE OF THE USED MOTOR VEHICLE AT TRADE-IN PRICE AS ESTABLISHED BY THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION USED CAR GUIDE BOOK PUBLISHED EACH MONTH, FOR THE MONTH IN WHICH THE DISPUTE ARISES.
5. PURCHASER AGREES THAT IF THE ORDER CALLS FOR A NEW MOTOR VEHICLE IT IS SUBJECT TO ITS AVAILABILITY AND THAT DELIVERY TO THE PURCHASER WILL TAKE PLACE WITHIN A REASONABLE TIME AFTER SAID VEHICLE IS RECEIVED BY DEALER FROM THE MANUFACTURER. DEALER CANNOT AND DOES NOT REPRESENT THAT THE VEHICLE WILL BE OBTAINED FROM THE MANUFACTURER WITHIN A SPECIFIED TIME.
6. IN THE EVENT THE MANUFACTURER SHALL NOTIFY THE DEALER OF A CHANGE IN PRICE FOR NEW MOTOR VEHICLES OF THE SAME STYLE AND TYPE AS THE VEHICLE ORDERED BY THIS AGREEMENT, AND PRIOR TO DELIVERY OF THE VEHICLE ORDERED BY PURCHASER, DEALER SHALL HAVE THE RIGHT TO ADJUST THE CASH PRICE OF THE VEHICLE ORDERED, ONLY IN THE AMOUNT OF THE INCREASE. IN THE EVENT OF ANY SUCH CHANGE IN THE CASH PRICE, PURCHASER SHALL HAVE THE OPTION OF CONCLUDING THE PURCHASE AT THE ADJUSTED PRICE OR CANCELING THIS AGREEMENT. SHOULD PURCHASER ELECT TO CANCEL, DEALER WILL REFUND TO PURCHASER ALL AMOUNTS PREVIOUSLY PAID, AND IF PURCHASER HAS DELIVERED TO DEALER A TRADE-IN VEHICLE AS ALL OR PART OF THE PAYMENT REQUIRED, DEALER SHALL REDELIVER THE TRADE-IN VEHICLE TO PURCHASER. IF DEALER HAS SOLD THE TRADE-IN VEHICLE, DEALER SHALL PAY TO PURCHASER THE TRADE-IN ALLOWANCE FOR THE VEHICLE, LESS ANY EXPENSES INCURRED IN RECONDITIONING THE VEHICLE, AND/OR LESS ANY NEGATIVE EQUITY ADJUSTMENT.
7. PURCHASER AGREES THAT NO STATEMENT HAS BEEN MADE AS TO THE NUMBER OF MILES ON ANY NEW, USED, DEMO, RENTAL OR FACTORY OFFICIAL, EXCEPT AS SET FORTH IN THE ODOMETER MILEAGE STATEMENT AS PROVIDED BY THE FEDERAL ODOMETER LAW AND ON THE FACE OF THIS AGREEMENT AS REQUIRED UNDER THE OHIO ODOMETER LAW WHICH DOES NOT CONSTITUTE A WARRANTY, EXPRESS OR IMPLIED, OR A CONTRACTUAL TERM OF THIS AGREEMENT. PURCHASER ACKNOWLEDGES RECEIPT OF SUCH FEDERAL ODOMETER STATEMENT.
8. ANY TRADE-IN VEHICLE DELIVERED BY THE PURCHASER TO THE DEALER IN CONNECTION WITH THIS AGREEMENT SHALL BE ACCOMPANIED BY DOCUMENTS SUFFICIENT TO ENABLE THE DEALER TO OBTAIN A TITLE TO THE TRADE-IN VEHICLE IN ACCORDANCE WITH APPLICABLE STATE LAW. PURCHASER WARRANTS THAT ANY TRADE-IN VEHICLE DELIVERED TO THE DEALER IS PROPERLY TITLED TO PURCHASER AND/OR PURCHASER HAS THE RIGHT TO SELL OR OTHERWISE CONVEY SUCH VEHICLE, AND HAS NEVER BEEN A SALVAGE VEHICLE, A REBUILT OR RECONDITIONED VEHICLE, A FLOOD VEHICLE OR A LEMON BUYBACK, AND THAT SUCH VEHICLE IS FREE AND CLEAR OF ALL LIENS OR ENCUMBRANCES, EXCEPT AS MAY BE NOTED ON THE FRONT SIDE OF THIS AGREEMENT, AND THAT ALL EMISSION CONTROL EQUIPMENT IS ON THE VEHICLE AND IN SATISFACTORY WORKING ORDER, AND THE ODOMETER READING IS ACCURATE UNLESS OTHERWISE DISCLOSED. IF THERE HAS BEEN ANY MODIFICATION TO THE EMISSION EQUIPMENT OR SAFETY DEVICES OF THE VEHICLE TO BE TRADED IN, DEALER RESERVES RIGHT TO DEDUCT THE COST OF REPAIR OF SUCH EQUIPMENT OR DEVICES FROM THE USED VEHICLE ALLOWANCE GIVEN THE PURCHASER.
9. DEALER AGREES TO DISCLOSE ANY PREVIOUS DAMAGE TO A NEW MOTOR VEHICLE WHEN DEALER HAS ACTUAL KNOWLEDGE OF THE DAMAGE WHERE THE RETAIL REPAIR COST OF THE DAMAGE EXCEEDS OR EXCEEDED 6% OF MSRP (MANUFACTURER'S SUGGESTED RETAIL PRICE) EXCLUDING DAMAGE TO GLASS, TIRES AND BUMPERS WHERE REPLACED BY IDENTICAL EQUIPMENT.
10. PURCHASER ASSUMES RESPONSIBILITY TO COVER THE VEHICLE DESCRIBED ON FRONT OF THIS DOCUMENT WITH NECESSARY AND PROPER INSURANCE COVERAGE AND ALSO ASSUMES ALL LEGAL LIABILITY ARISING FROM THE OPERATION OF SAID VEHICLE FROM TIME OF DELIVERY.
11. ANY CONTROVERSY, DISPUTE OR CLAIM ARISING OUT OF OR RELATING TO THIS CONTRACT OR BREACH THEREOF SHALL BE INTERPRETED UNDER THE LAWS OF THE STATE OF OHIO, AND VENUE WILL BE IN THE STATE OF OHIO.
12. IF THIS VEHICLE IS DELIVERED PRIOR TO FINANCE APPROVAL, PURCHASER UNDERSTANDS THAT IF THIRD PARTY FINANCING APPROVAL OR ASSIGNMENT OF A RETAIL INSTALLMENT SALES CONTRACT IS NOT OBTAINED, PURCHASER AND/OR DEALER MAY CANCEL THE PURCHASE CONTRACT AND PURCHASER MUST IMMEDIATELY RETURN THE VEHICLE TO THE DEALERSHIP IN ACCORDANCE WITH THIS AGREEMENT, THE SPOT/CONDITIONAL DELIVERY AGREEMENT AND THE RETAIL INSTALLMENT SALES CONTRACT INCORPORATED HEREIN. PURCHASER ASSUMES FULL RESPONSIBILITY FOR ALL WEAR, TEAR AND/OR DAMAGE DURING THIS PERIOD AND WILL RETURN THE VEHICLE TO DEALER IN THE SAME CONDITION AS DELIVERED.
13. PURCHASER AGREES TO SIGN ALL DOCUMENTS NECESSARY TO COMPLETE THE TERMS OF THIS TRANSACTION.
14. PURCHASER HAS INSPECTED THE PRODUCT AND FINDS IT SUITABLE FOR PURCHASER'S PARTICULAR NEEDS. PURCHASER HAS RELIED UPON PURCHASER'S OWN JUDGMENT AND INSPECTION IN DETERMINING THAT THE MOTOR VEHICLE BEING PURCHASED IS OF ACCEPTABLE QUALITY.
15. PURCHASER SHALL BE LIABLE FOR ALL SALES, USE OR OTHER TAXES OF A SIMILAR NATURE APPLICABLE TO THE TRANSACTION UNLESS SUCH PAYMENT IS OTHERWISE PROHIBITED BY LAW.
16. THE FRONT AND BACK OF THIS RETAIL BUYERS ORDER, ALONG WITH ANY AND ALL DOCUMENTS INCORPORATED OR REFERENCED HEREIN, COMPRISE THE ENTIRE AGREEMENT BETWEEN THE PARTIES, AND NO OTHER AGREEMENTS OR REPRESENTATIONS SHALL BIND THE PARTIES.

PRODUCT PRICING SUMMARY BASED ON CONTRACT
BUYBOARD #723-23 CHASSIS
Grapevine Dodge Chrysler Jeep 2601 William D Tate, Grapevine, TX 76051

End Use: CITY OF GATESVILLE

Rep: Dennis Thomas

Contact: DEREK LAWRENCE

Phone: 817-410-7541

Phone/Email: DEREKLAWRENCE26@GMAIL.COM

Email: dthomas@grapevinedcj.com

Product Description: 2026 3500 CHASSIS

Date: 10/04/2025

A. Bid Series 3500 CHASSIS

A. Base Price:

45,175

B. Published Options [Itemize each below]

Code	Options	Bid Price	Code	Options	Bid Price
DD8L93	26 3500 CREW CAB 4X4 CHASS	5070	25A	TRADESMAN DIESEL	10,665
PW7	WHITE	NC	TXX8	VINYL INTERIOR	STD
XAW	BACKUP ALARM	141	WLA	DUAL REAR WHEEL	1,547
MRU	RUNNING BOARDS	592	LPE	CARGO LAMP	92
A7B	TRADESMAN LEVEL 1	868			
Total of B. Published Options:					18,975

C. Unpublished Options

\$= 0.0%

Options	Bid Price	Options	Bid Price
CM BRAND TM BED			
RANCH HAND FULL REPLACEMENT BUMPER	16,677		
Total of C. Unpublished Options:			16,677

D. Pre-delivery Inspection:

E. Texas State Inspection:

F. Manufacturer Destination/Delivery:

G. Floor Plan Interest (for in-stock and/or equipped vehicles):

H. Lot Insurance (for in stock and/or equipped vehicles):

I. Contract Price Adjustment:

J. Additional Delivery Charge: _____ miles

K. Subtotal:

L. Quantity Ordered _____ x K =

M. Trade in: _____

N. BUYBOARD Administrative Fee (\$400 per purchase order)

O. TOTAL PURCHASE PRICE INCLUDING BUYBOARD FEE

\$

\$

\$

\$

\$

FOB GRAPEVINE

\$80,827

\$

\$400.00

\$91,227

Randall Reed's Planet Ford 635

BUYER	CO-BUYER	Deal #: 236868
DEREK LAWRENCE		Deal Type: Retail
		Deal Date: 10/03/2025
		Print Time: 01:27pm
Home #:	Home #:	
Work #:	Work #:	Salesperson: ISRAEL TELLEZ

VEHICLE				
New <input checked="" type="checkbox"/>	Stock #:	Description:	VIN:	Mileage:
Used <input type="checkbox"/>				12
Demo <input type="checkbox"/>				

PRICE		TRADE	
MSRP:	\$ 76,295.00		
Discount:	\$ 3,500.00		
Sale Price:	\$ 72,795.00		
SWAT	\$ 495.00		
MAGIC TIRE	\$ 495.00		
TM BED DELUXE W/INSTALLATION	\$ 22,847.00		
Total Sale Price:		Total Trade Allowance:	\$ 0.00
Plus T.T.L.		Total Trade Payoff:	\$ 0.00

CASH		PAYMENT	
Cash Down:	\$ 0.00	1 Months	
		Monthly Payment:	\$ 103,478.08
		With Approved Credit	

Bi-weekly \$ _____



Date 10/14/2025

Agenda Item 10

Resolution 2025-110

CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Holly Owens, City Secretary

Agenda Item: Discussion and possible action to accept an Annexation application for 209 River Road.

Information:

Santiago Gonzales is requesting to annex his property located at 209 River Road, Summer Addn.; Block 1, Lot 4A on 3.46 acres, Coryell County.

Requirements:

1. Annexation Ordinance (3 readings) with a metes and bounds description (Exhibit A).
 - a. 1st reading 10/14
 - b. 2nd reading and PH 10/28
 - c. 3rd reading 11/18
2. Conduct one public hearing (October 28, 2025).
3. Public Notice in newspaper between 10 and 20 days before the public hearing
4. Public Notice on website between 10 and 20 days before the public hearing
5. Notice of hearing to the following:
 - a. Coryell County
 - b. Fire protection service providers
 - c. Emergency medical services providers
 - d. Utility providers
 - e. School District
6. Negotiate and enter into a written service agreement with the property owners for the provision of city services prior to annexation date (Exhibit B).

Financial Impact:

There is no financial impact.

Staff Recommendation:

Staff recommends approving the Resolution to accept the annexation application for 209 River Road.

Motion:

Motion to approve **Resolution 2025-110**, accepting the application for annexation of 209 River Road, located in the Summer Addn. in Coryell County.

Date 10/14/2025

Agenda Item 10

Resolution 2025-110

Attachments:

- Plat
- Application

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:

That the above stated recommendation is hereby approved and authorized.

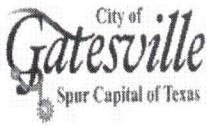
PASSED AND APPROVED at a regular meeting of the City Council of the City of Gatesville, Texas, this the ____ day of _____, _____, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

Gary Chumley, Mayor

ATTEST:

Holly Owens, City Secretary



PETITION FOR VOLUNTARY ANNEXATION

into the City Limits of the
City of Gatesville

Local Government Code Chapter 43, Subchapter C - 3, provides the statutory rules for voluntary annexations in Texas. Legal property owners of land located within the City's Extraterritorial Jurisdiction may voluntarily petition for annexation into the City limits. This form may be used to make a formal request to the Gatesville City Secretary for your property to be incorporated, but a letter containing the same with the information in this form is acceptable.

Please include a legal mete and bounds description/survey of the property with a signed letter or this form, to the City via the following:

- U.S. Postal Mail to Secretary, City of Gatesville 803 Main St., Gatesville, Texas 76528
- Email to: howens@gatesvilletx.com

Name of Property Owner(s) (please list all owners with interest in the property):

Santiago Gonzales

Property Address

209 River Rd Gatesville TX 76528
Street Number Street Name City ST Zip

Parcel ID No.: 155143

I, the undersigned property owner of the aforementioned real property, and on behalf of any and all other property owners with interest in such property, do hereby execute and submit this Petition for Annexation for the express purpose of requesting that the City of Gatesville incorporate my aforementioned property into the corporate boundaries of the City of Gatesville. I hereby certify and attest that I have the authority to do so and have been provided such authority by others that have ownership interest in the property subject to this request/petition.

I, the undersigned, also understand that a "metes and bounds" legal description/survey of the land applicable to this petition shall be provided as an attachment to this request in order for the City to take action on this request.

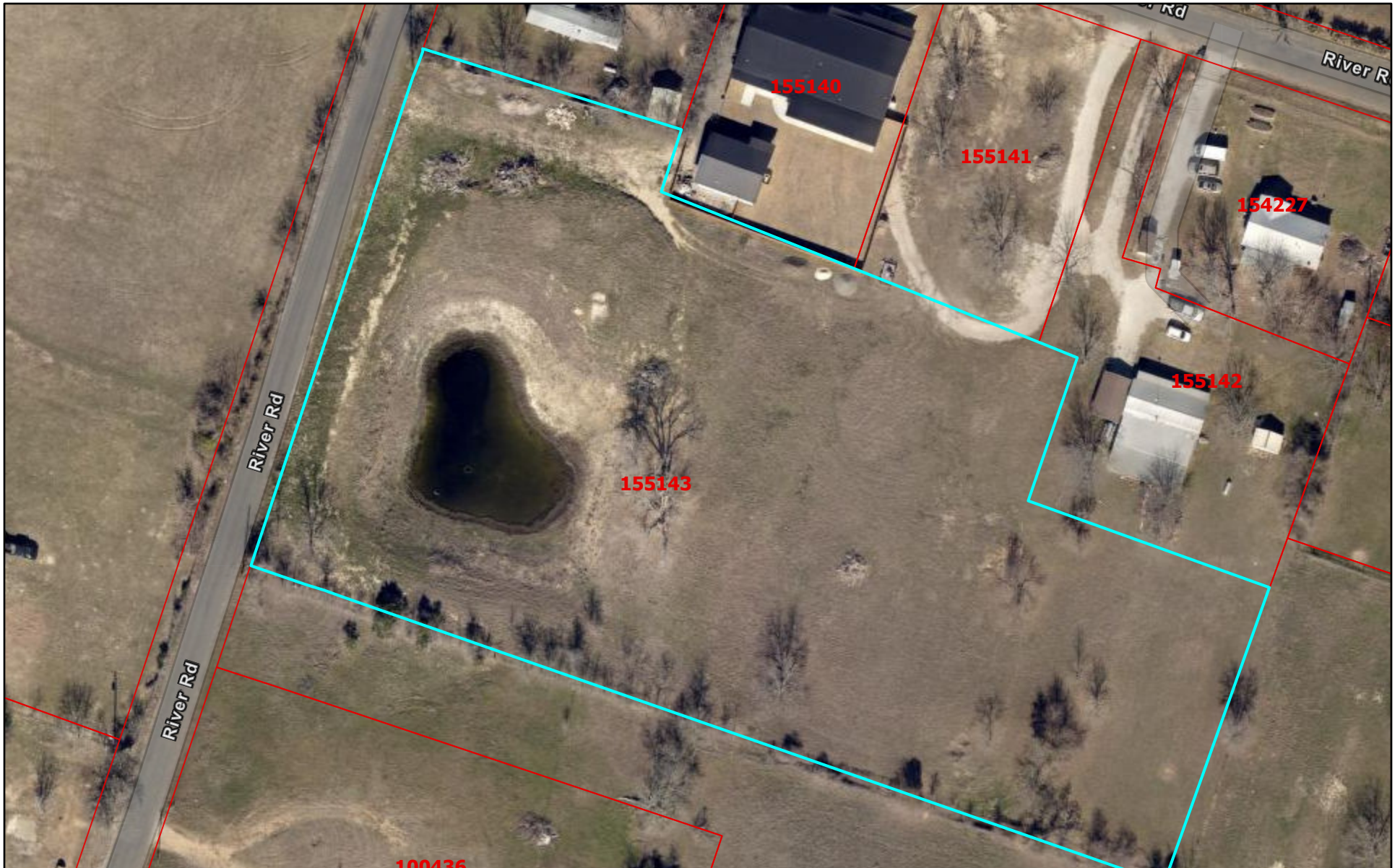
Santiago Gonzales

Printed Name

Signature


9/29/2025
Date

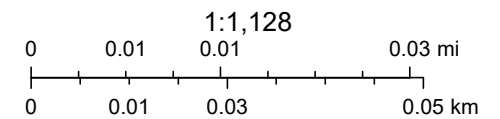
Coryell CAD Web Map



9/29/2025, 11:37:11 AM

 Parcels

 Abstracts



Maxar, Microsoft, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Coryell Central Appraisal District, BIS Consulting - www.bisconsulting.com

Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries.



Date 10/14/2025

Agenda Item 11

Ordinance 2025-21

CITY COUNCIL MEMORANDUM FOR ORDINANCE

To: Mayor & Council

From: Holly Owens, City Secretary

Agenda Item: Discussion and possible action to consider an ordinance annexing approximately 3.46 acres located in the Summer Addn.; Block 1, Lot 4A.

Information:

Santiago Gonzales is the owner of the property addressed at 209 River Road and has formally requested to annex the 3.46 acres into the City of Gatesville.

The metes and bounds are described in Exhibit A, and a service plan has been drafted and is shown as Exhibit B. The adjacent zoning to the north is *Residential Mobile Home* with the surrounding property to the east also *Residential Mobile Home*. Further south, property is zoned *Residential Single-Family*. Mr. Gonzales is requesting the property be continuously zoned *Residential Mobile Home*.

This is the first reading, and the public hearing is scheduled for October 28th, and the final reading will be heard on November 18th. Letters were sent out to public entities and utility companies and the public hearing was published in the newspaper on October 11th (12 business days prior to the public hearing). The public notice was also placed on the city website for additional convenience.

Financial Impact:

There is no financial impact.

Staff Recommendation:

Staff recommends passing the ordinance to the next meeting.

Motion:

Motion to pass **Ordinance 2025-21**, considering annexing the property described as Summer Addn.; Block 1, Lot 4A, Coryell County, addressed as 209 River Road, on 3.46 acres to the next meeting, **first reading**.

Attachments:

- Public Notice Letter
- Metes and Bounds (Exhibit A)
- Service Agreement (Exhibit B)
- GIS Map of Property

ORDINANCE NO 2025-21

AN ORDINANCE ANNEXING AN APPROXIMATELY 3.46 ACRE TRACT OF LAND LOCATED IN THE SUMMER ADDN; BLOCK 1, LOT 4A SITUATED IN CORYELL COUNTY, TEXAS AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE SUCH PROPERTY WITHIN THE CITY'S CORPORATE LIMITS; GRANTING TO ALL THE INHABITANTS AND OWNERS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF SAID CITY; AND ADOPTING A SERVICE PLAN FOR SAID PROEPRTY; PROVIDING A CONFLICTS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, §43 of the Texas Local Government Code authorizes the City of Gatesville, Texas, an incorporated city, to engage in the annexation of territory, subject to the laws of this state, and;

WHEREAS, the City Council of the City of Gatesville has been presented with a petition requesting annexation of an approximately 3.46 acres located in the Summer Addn.; Block 1, Lot 4A situated in Coryell County, in the City of Gatesville, Coryell County, Texas and being more particularly described and depicted in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, the notices and public hearings required by Chapter 43, Texas Local Government Code and other applicable law have been given and conducted; and

WHEREAS, the City Council has adopted a service plan as required by Section 43.056 of the Texas Local Government Code relating to the Property, the terms of which are attached hereto and incorporated herein by this reference as Exhibit "B" (the "Service Plan"); and

WHEREAS, the Property lies adjacent to the existing corporate limits of the City of Gatesville, Texas and is located within the exclusive extraterritorial jurisdiction of the city of Gatesville, Texas; and

WHEREAS, the requirements and procedures prescribed by the Texas Local Government Code and the Charter of the City of Gatesville, Texas, and the laws of this state for annexation of the Property have been duly followed; and

WHEREAS, the City Council of the City of Gatesville has concluded that the Property should be annexed to and made a part of the City of Gatesville, Texas;

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

SECTION 1. Based on the findings of fact set forth in the recitals above, which are

found to be true and correct and are incorporated herein as if set forth in full, the Property is hereby annexed into the corporate limits of the City of Gatesville, Texas.

SECTION 2. The boundary limits of the City of Gatesville shall be and the same are hereby extended to include the Property within the City's corporate limits and the territory described herein shall be and is hereby included within the corporate limits, subject to all the acts, ordinances, resolutions, and regulations of the City. The inhabitants of the Property shall hereafter be entitled to all the rights and privileges of other citizens of the City of Gatesville and they shall be bound by the acts, ordinances, resolutions, and regulations of said City.

SECTION 3. The Service Plan, Exhibit "B," for the area is hereby adopted..

SECTION 4. To the extent of any irreconcilable conflict with the provisions of this Ordinance and other ordinances of the City of Gatesville governing the use and development of the Property and which are not expressly amended by this Ordinance, the provisions of this Ordinance shall be controlling.

SECTION 5. All provisions of the ordinances of the City of Gatesville, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 6. Should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Code of Ordinances as a whole.

SECTION 7. The City Secretary is hereby directed to file with the County Clerk of Coryell County Texas, a certified copy of this ordinance.

SECTION 8. This ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law in such cases provides.

The foregoing Ordinance No. 2025- 21 was read the first time and passed to the second reading
this ____ day of _____, 20__.

The foregoing Ordinance No. 2025-21 was read the second time and passed to the third reading
this ____ day of _____, 20__.

The foregoing Ordinance No. 2025-21 was read the third time and was passed and adopted as an
Ordinance to the City of Gatesville, Texas, this ____ day of _____, 20__.

BY: _____
GARY M. CHUMLEY, MAYOR

ATTESTED:

APPROVED AS TO FORM:

HOLLY OWENS, T.R.M.C.
CITY

EXHIBIT A
[Legal Description of the Property]

BEING all of that certain 3.46 acre tract of land situated in the Antonio Arocha Survey, Abstract No. 8, and being a replat of Lot 2, Block 1, Stalnecker Estates, Slide 998, a subdivision in the City of Gatesville, Coryell County, Texas, described in a deed to Summers Rentals, LLC., recorded in Instrument No. 331376, Deed Records of Coryell County, Texas, being further described as follows:

BEGINNING, at a ½" iron rod found under 8" Hackberry Tree;

THENCE, S 16° 11' 15" W, 38.21' feet;

THENCE, S 70° 56' 14" E, 259.68' feet, along the South line of Lot 1A and Lot 2A, West of Lot 3A;

THENCE, S 16° 45' 41" W, 87.06';

THENCE, S 72° 46' 43" E, 148.46' South line of Lot 3A;

THENCE, S 17° 13' 17" W 181.66' West line of Tippit Rentals, Inc. Inst. No. 320093;

THENCE, ½" iron rod found - N 73° 23' 19" W 570.62' North line of C3W, LLC. Inst. No. 331398;

THENCE, ½" iron rod found - N 16° 37' 36" E 313.82' along River Road;

THENCE, ½" iron rod found – S 75° 24' 50" E 164.62' along the South line of Billy Morgan, Jr. Inst. No. 167908 to the **PLACE OF BEGINNING**.

EXHIBIT B
[Service Plan]

EXHIBIT 'B'

ANNEXATION SERVICE PLAN AGREEMENT

For land described in Ordinance 2025-____ effective on the date of annexation, the following services are to be provided as set forth below:

1. POLICE PROTECTION

The City of Gatesville, Texas will provide police protection to the newly annexed tract at the same or similar level of service now being provided to other areas of the City of Gatesville, Texas, with similar topography, land use and population within the newly annexed area.

2. FIRE PROTECTION AND AMBULANCE SERVICE

The City of Gatesville, Texas will provide fire protection and ambulance service to the newly annexed tract at the same or similar level of service now being provided to other areas of the City of Gatesville, Texas, with similar topography, land use and population with the City of Gatesville.

3. SOLID WASTE COLLECTION AND RECYCLING PROGRAM

At the present time the City of Gatesville, Texas. is using a designated, specified contractor for collection of solid waste and refuse and a recycling program within the city limits of the City of Gatesville, Texas. Upon payment of any required deposits and the agreement to pay lawful service fees and charges, solid waste collection and recycling program will be provided to citizens in the newly annexed area to the extent that the City's contractor has access to the area to be serviced. Also, periodic community wide roll-off disposal of hazardous household waste will be available.

4. MAINTENANCE OF WATER AND WASTEWATER FACILITIES

Any and all water or wastewater facilities owned or maintained by the City of Gatesville, Texas, at the time of the proposed annexation shall continue to be maintained by the City of Gatesville, Texas. Any and all water or wastewater facilities which may be acquired subsequent to the annexation of the proposed area shall be maintained by the City of Gatesville, Texas, to the extent of its ownership.

5. MAINTENANCE OF ROADS AND STREETS

Any and all public roads, streets or alleyways which have been dedicated to the City of Gatesville, Texas, or which are owned by the City of Gatesville, Texas, shall be maintained to the same degree and extent that other roads, streets and alleyways are maintained in areas with similar topography, land use and population density. Any and all lighting of roads, streets and alleyways which may be positioned in a right-of-way, roadway or utility company easement shall be maintained by the applicable utility company servicing the City of Gatesville, Texas, pursuant to the rules, regulations and fees of such utility.

6. MAINTENANCE OF PARKS, PLAYGROUNDS AND SWIMMING POOLS

The City Council of the City of Gatesville, Texas, is not aware of the existence of any parks, playgrounds or swimming pools now located in the area proposed for annexation. In the event any such parks, playgrounds or swimming pools do exist and are public facilities, the City of Gatesville, Texas, will maintain such areas to the same extent and degree that it maintains parks, playgrounds and swimming pools and other similar areas of the City now incorporated in the City of Gatesville, Texas.

7. MAINTENANCE OF MUNICIPALLY OWNED FACILITY, BUILDING OR MUNICIPAL SERVICE

The City Council of the City of Gatesville, Texas is not aware of the existence of any municipally owned facility, building or other municipal service now located in the area proposed for annexation. In the event any such municipally owned facility, building or municipal service does exist and are public facilities, the City of Gatesville, Texas, will maintain such areas to the same extent and degree that it maintains publicly owned facilities, buildings or municipal services of the City now incorporated in the City of Gatesville, Texas.

8. CAPITAL IMPROVEMENTS

A. GENERAL

The City provides water and wastewater treatment facilities and major distribution and collection facilities to areas within the City for which the City is authorized to provide such services (this does not include areas for which a certificate of convenience and necessity has been issued to a special district or other water provider). The City does not extend water distribution or wastewater collection mains at its own cost to new developments as part of its municipal services; instead, property owners are expected to bear such costs. Water and wastewater mains will be extended only on an as needed basis when development applications or subdivision plats that require urban level supporting services are submitted to the City in accordance with the City's subdivision and development ordinances. Once such developments begin to occur, the City also may adopt capital improvements plans for additional treatment or major distribution or collection facilities to serve the area, while property owners must pay for the mains necessary to serve their land.

B. POLICE PROTECTION, FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

The City Council of the City of Gatesville, Texas finds and determines it to be unnecessary to acquire or construct any capital improvement for the purpose of providing police protection, fire protection, or emergency medical services. The City Council finds and determines that it has at the present time adequate facilities to provide the same type, kind and level of protection and service which is presently being administered to other areas already incorporated in the City of Gatesville, Texas, with the same or similar topography, land use and population density, without reducing by more than a negligible amount the level of fire, police and emergency services provided within the corporate limits of the City.

C. WATER FACILITIES

The area to be annexed shall be annexed into the City of Gatesville Certificate of Convenience and Necessity (CCN) and water will be provided by the City. Capital improvements are not necessary to provide full municipal services for water.

D. WASTEWATER FACILITIES

The City Council of the City of Gatesville, Texas, has determined that given the current expected development in the next ten (10) years within the area to be annexed, if such development concerning the extension or expansion of wastewater facilities will be in accordance with the City's utility policies as generally set forth in section 8A of this Plan, in the City's development regulations and the service plan. Upon connection to existing mains, sewer will be provided at rates established by the City.

E. ROADS AND STREETS

Within 2 ½ years the City of Gatesville, Texas, with a cooperative effort of the City's designated utility company, will undertake to provide the same degree of road and street lighting as is provided in areas of similar topography, land use and population density within the present corporate limits of the City of Gatesville, Texas. Maintenance of properly dedicated roads and streets will be consistent with the maintenance provided by the City to other roads and streets in areas of similar topography, land use and population density as the annexed property. The City has determined that there are no current or proposed developments within the area to be annexed that require construction of supporting collector or arterial streets. As development occurs in the future, developers will be required pursuant to the ordinances of the City of Gatesville, Texas to provide internal and peripheral streets and to construct those streets in accordance with the specifications required by the City of Gatesville, Texas, for street dedication and construction. City participation in capital expenditures will be in accordance with generally applicable city policies. Once urban level developments begin to occur, the City also may adopt road improvements plans to serve the area, and the service plan may be amended under such circumstances. The City may also plan road improvements that are necessary to serve the area being annexed into the City.

SPECIFIC FINDINGS

The City Council of the City of Gatesville, Texas finds and determines that this proposed Service Plan will not provide any fewer services, and it will not provide a lower level of service in the area proposed to be annexed than were in existence in the proposed area at the time immediately preceding the annexation process.

The City Council of the City of Gatesville, Texas further finds that there are areas within city limits with similar characteristics of topography, land utilization and population density that have service levels similar to those proposed in this service plan. Because of the differing characteristics of topography, land utilization and population density, the service levels which may ultimately be

provided in the newly annexed area may differ somewhat from services provided in other areas of the City of Gatesville, Texas. These differences are specifically dictated because of differing characteristics of the property and the City of Gatesville, Texas will undertake to perform consistently with this contract so as to provide the newly annexed area with the same type, kind and quality of service presently enjoyed by the citizens of the City of Gatesville, Texas who reside in areas of similar topography, land utilization and population.

Santiago Gonzales

Owner: 209 River Road, Gatesville, Tx 76528

Brad Hunt

City Manager

ATTEST:

Holly Owens

City Secretary



October 10, 2025

RE: Public Hearing and Public Notice to annex approximately 3.46 acres located in the Summer Addn.; Block 1, Lot 4A, Property Identification 155143.

The City of Gatesville has scheduled a Public Hearing on October 28, 2025 at 110 N 8th Street at 5:30 P.M. to consider annexing the hereinafter described territory to the City of Gatesville, Coryell County, Texas and extending the boundary limits of said City so as to include said hereinafter described property within said city limits, and granting to all the inhabitants of said property all the rights and privileges of other citizens and binding said inhabitants by all of the acts, ordinances, resolutions, and regulations of said City, and adopting a service plan.

BEING all of that certain 3.46 acre tract of land situated in the Antonio Arocha Survey, Abstract No. 8, and being a replat of Lot 2, Block 1, Stalneck Estates, Slide 998, a subdivision in the City of Gatesville, Coryell County, Texas, described in a deed to Summers Rentals, LLC., recorded in Instrument No. 331376, Deed Records of Coryell County, Texas, being further described as follows:

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THENCE, S 70° 56' 14" E, 259.68' feet, along the South line of Lot 1A and Lot 2A, West of Lot 3A;

THENCE, S 16° 45' 41" W, 87.06';

THENCE, S 72° 46' 43" E, 148.46' South line of Lot 3A;

THENCE, S 17° 13' 17" W 181.66' West line of Tippit Rentals, Inc. Inst. No. 320093;

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THENCE, ½" iron rod found - N 16° 37' 36" E 313.82' along River Road;

THENCE, ½" iron rod found – S 75° 24' 50" E 164.62' along the South line of Billy Morgan, Jr. Inst. No. 167908 to the PLACE OF BEGINNING.

Holly Owens, T.R.MC.
howens@gatesvilletx.com | 254-865-8951, ext. 105

