



617 Tenaha Street • P.O. Box 1744
Center, Texas 75935-1744

(936) 598-2941 • Fax (936) 598-2615
www.centertexas.org

AGENDA

The Center City Council will meet in Regular Session on Monday, April 13, 2020 at 5:00 p.m. at the Windham Civic Center. The following items are on the agenda for appropriate action:

Pursuant to the Suspension Order by Governor Abbott, the meeting will be available by Video Conference or Teleconference. The Public may participate in the meeting on site or by calling the phone number 936-590-7200 or contact Barbara Boyd at 936-598-2941 prior to 4:30 p.m.

I. Welcome Guests and Visitors.

II. Hearings:

A. Application 2020-1 Rezone Request for Epps Street/Old Airport Road.

III. Approval of Minutes:

A. Regular Meeting on March 9, 2020.

B. Special Meeting on March 30, 2020.

IV. Discuss Consider and Action on the Following:

A. Acceptance of Audit Report for FY 2019.

B. Ordinance 2020-03 Amending Zoning Ordinance for Decision on Application 2020-01 for Rezone Request at Epps Street/Old Airport Road.

C. Ordinance 2020-04 Establishing Industrial District and Payment in Lieu of Taxes for Tyson Foods, Inc.

D. Resolution 2020-12 Authorizing Security Broker/Dealer.

E. Resolution 2020-13 Authorizing Safekeeping Agreement for Investments.

V. Items of Interest from Council and City Manager and Citizens – No Action Items.

VI. Executive Session

Consider entering executive session for legal consultation with the City Attorney and discussion of pending litigation, personnel matters and land acquisition with possible action related thereto upon reconvening in open session in accordance with Government Code Section 551.071, 551.072 and 551.074

VII. Adjournment.

To Join Zoom Meeting

<https://zoom.us/j/952961003?pwd=WU5tZlk4dmQ0eWdXb0FvdHdmVlRMZz09>

Meeting ID: 952 961 003

Password: 011965

MEMORANDUM

TO: Mayor and City Council

FR: Chad D. Nehring, City Manager

Date: April 9, 2020

RE: Agenda Comments for Regular Meeting of April 13, 2020



REGULAR MEETING AGENDA:

II. Public Hearing

- Application 2020-1 – Rezoning Request for Epps Street/Old Airport Road (Parcel ID #23229)

The packet includes the application and results of the P&Z Hearing held on April 8, 2020. At that hearing, the applicant spoke on behalf of the rezoning, one adjoining property owner asked a question of impact to his property and it was reported that staff had received one additional phone inquiry prior to the hearing that expressed support for the rezoning application.

IV.A. Acceptance of Audit Report for FY 2019

The external auditor has completed the annual financial review and the complete report is provided. The Management Discussion & Analysis which is provided as an overall synopsis of key items is included in the packet and the entire report is available as a separate document on the OneDrive. Eric Carver with Axley & Rode is anticipated to join the meeting by video conference to present their report and answer any questions. Staff is in agreement with the report and that it represents all financial transactions of the City's governmental and business activities as well as those of all separate, component units.

IV.B. Ordinance 2020-03 – Amending the Zoning Ordinance for the Rezoning Request on Epps St/Old Airport Road for Application 2020-1 (Parcel ID #23229)

The application and information relative to this rezoning request is included in the packet. The parcel is vacant and is partially zoned C1 along Epps St. leaving roughly half of the parcel fronting Old Airport Rd, zoned SF1 (single family residential). The portion of the parcel being requested for rezoning, from SF1 to C1, would make the entire parcel C1, light commercial. On the maps included, it is the blue area bounded on the east by Old Airport Road, the west by the red C1 district of the remainder of the parcel, the north by the red, C1 district previously rezoned for an planned assisted living facility that never materialized and the south by a commercial lot on Epps and the only residential lot on west side of Old

Airport Rd. All required notices were mailed to property owners with the 200 feet of this parcel as required. The P&Z met on April 8th and after public hearing, voted to recommend approval of this application to the City Council.

IV.C. Ordinance 2020-04 – Establishing Industrial District and Authorizing Industrial Agreement with Tyson Foods, Inc.

This action has been developed to provide Tyson Foods with the services and assistance they have requested in the development and operation of their feed mill facility south of Loop 500. Specifically, the establishment of this industrial district allows for a property in that geographic area to enter into a contractual arrangement with the City for a variety of terms and conditions including the long-term treatment as extra-territorial jurisdiction, payments in lieu of taxes, exclusion from enforcement of state/local regulations, service extensions and emergency response capability. The contract, also included, has been negotiated and agreed by Tyson to formalize the property status and long-term obligations and responsibilities of both parties and reviewed by the City Attorney. It was designed for replication of industrial projects in this geographic area or requiring creation of additional industrial districts for any future development projects. Staff is recommending approval of this item.

IV.D. Resolution 2020-12 – Authorizing Security Broker/Dealer

Staff have not had significant opportunities to expand the diversification of the City's investments primarily from the marginal improved interest earnings previously available from more active investment strategies. With rapidly changing financial markets over the last month, as well as substantially more volatility and decline of the daily investment options, staff is seeking authorization to utilize a portion of the investment policy previously not relied upon. Direct investment in other securities is authorized in the investment policy and could be evaluated to solidify slightly longer term investment, up to two years, in principal-secure instruments, primarily government bonds. Staff has evaluated this potential but according to the policy does need approval of broker/dealer list and the following item to ensure any security instruments require third-party safekeeping. Staff is requesting approval of adding SAMCO, who also serves as the City's financial advisor for our bond issues, to the authorized broker list.

IV.E. Resolution 2020-13 – Authorizing Safekeeping Agreement for Investments

As presented in the prior item, this is the second authorization that would allow for limited diversification of the City's investment portfolio, if prudent, with the acquisition of a limited amount of short-term securities. One facet of the City's investment policy requires a third-party safekeeping arrangement for any purchased instruments. This resolution would authorize use of Frost Bank in this capacity, if any securities are acquired as part of the City's investment portfolio.

V. Items of Interest

1) Emergency Order

Operations continue as water, sewer, police, fire including all the support functions must remain active to ensure services. Staff continue to meet the needs of current public and private construction activities in addition to maintaining for use, including additional daily disinfection, all public facilities. Direct public contact remains limited to comply as much as possible with the Governor's Emergency Order, as reflected with the City's Emergency Order but customers are being communicating needs by phone and payments by web, phone, kiosk, night-drop or mail. Sufficient supplies and materials are available to continue operations for the foreseeable future without interruption.

2) Downtown Construction

Progress has continued at the intersection of Austin/San Augustine. Electrical into the square was completed by SWEPCO at some point this week which included the removal of the overhead lines. Pavers were installed in the intersection as well and we continue to push for the contractor to dedicate more personnel to the project.

3) Hwy 96 Sewer Replacement Project

This project will begin construction within the next week as pipe and manhole materials are being delivered.

4) Pinkston Lagoon Project

Final inspection is being completed on this project so that it can be placed into service and final payment and completion will likely be on the next meeting agenda.

5) Civic Center 10th Anniversary

This event on May 19th is not yet cancelled but given current circumstances and possibility of logistic problems at this time it will certainly be much less intensive of an event if emergency orders are able to be removed.

6) Youth Leagues/Summer Baseball Tournaments

These summer tournaments have not yet been cancelled and staff continue to ensure that we are capable on short notice of hosting these in June/July. Additionally, all Spring youth sports leagues have developed alternative and compressed schedules that would allow a complete slate of games prior to current calendar for post season events.

**MINUTES OF THE CITY OF CENTER
CITY COUNCIL MEETING
REGULAR MEETING
March 9, 2020**

The Center City Council met in a regular session on Monday, March 9, 2020 at 5:00 p.m. in the Council Chambers at Center City Hall. The meeting was open to the public. Notices were properly posted of the date, place and hour and the news media was notified. The following members were present:

David Chadwick	-	Mayor
Leigh Porterfield	-	Mayor Pro Tem
Joyce Johnson	-	Council Member
Howell Howard	-	Council Member
Jerry Lathan	-	Council Member
Terry Scull	-	Council Member
Randy Collard	-	Council Member
Chad Nehring	-	City Manager
John Price	-	City Attorney

Guests signed the register.

Item I. Mayor David Chadwick opened the meeting and welcomed the visitors.

Item II. Approval of Minutes:

- A. Regular Meeting on February 24, 2020.
- B. Joint Workshop Session on February 28, 2020.

Council Member Howell Howard made a motion to approve the minutes. Council Member Jerry Lathan seconded the motion. All voted in favor.

Item III. Consider Discussion and Possible Action on the following:

- A. Resolution 2020-09 Authorizing Submission of Foundation Grant for Open Space Planning Project. City Manager, Chad Nehring stated staff became aware of a private foundation that is accepting applications for planning and/or construction of activities to protect habitat and wildlife in designated public open space. Mr. Nehring stated the land received from CISD, when complete, is not suitable for development so another alternative that would meet the qualifications of the foundation may be to develop habitat. Mr. Nehring stated this application would provide 80% of the costs of a planning project that would provide site assessment, analysis of alternative concepts for site use and preliminary design with funding option recommendations. Council Member Leigh Porterfield made a motion to approve Resolution 2020-09 Submission of Foundation Grant for Open Space Planning Project. Council Member Joyce Johnson seconded the motion. All voted in favor.
- B. Resolution 2020-10 Authorize Submission for COPS Grant. City Manager, Chad Nehring stated the Police Department continues to work toward enhanced funding opportunities during this period while remaining eligible for federal programs. Mr. Nehring stated the Chief has presented a comprehensive budget with impacts and implications should the percentage of funding for the two positions be received. Council Member Terry Scull made

the motion to approve Resolution 2020-10 Authorizing Submission for COPS Grant. Council Member Howell Howard seconded the motion. All voted in favor.

- C. Resolution 2020-11 Accepting the Petition for Annexation. City Manager, Chad Nehring stated the owner of the parcel being developed as a solid waste transfer station on Portacool Way (FM 2468) across from the former Bruce's plant has submitted application for annexation. Mr. Nehring stated this request is to ensure and allow for the provision of water and sewer service, provide for police protection of the location and ensure fire response without fee or charge as well as all other services provided by the City. Council Member Terry Scull made the motion to approve Resolution 2020-11 Accepting the Petition for Annexation. Council Member Randy Collard seconded the motion. All voted in favor.

Item IV. Items of Interest from Council and City Manager, and Citizens – No Action Items.

1. Employee Banquet – March 13, 2020.
2. Economic Development – Joint Workshop with CEDC Board.
3. Retreat Follow Up.
4. Downtown Renovation Project Update.
5. Hwy 96 Sewer Replacement Project.
6. Pinkston Lagoon Project Update.
7. Civic Center 10th Anniversary.
8. Summer Baseball Tournaments.

City Manager, Chad Nehring updated Council regarding each of these projects.

Item V. Executive Session.

Item VI. Adjournment. Mayor David Chadwick adjourned the meeting at 5:20 pm.

David Chadwick, Mayor

Attest:

Barbara Boyd, City Secretary

**MINUTES OF THE CITY OF CENTER
CITY COUNCIL MEETING
SPECIAL MEETING
March 30, 2020**

The Center City Council met in a special session on Monday, March 30, 2020 at 5:00 p.m. in the Council Chambers at Center City Hall. The meeting was open to the public. Notices were properly posted of the date, place and hour and the news media was notified. The following members were present:

David Chadwick	-	Mayor	
Leigh Porterfield	-	Mayor Pro Tem	Videoconference
Joyce Johnson	-	Council Member	
Howell Howard	-	Council Member	
Jerry Lathan	-	Council Member	
Terry Scull	-	Council Member	
Randy Collard	-	Council Member	Absent
Chad Nehring	-	City Manager	
John Price	-	City Attorney	

Guests signed the register.

Item I. Mayor David Chadwick opened the meeting and welcomed the visitors.

Item II. Consider Discussion and Possible Action on the following:

- A. Discuss and Take Action on Continuation and Renewal of Declaration of Local State of Disaster. Discussion related to operations, disinfection parks, Construction, Tyson, Airport, Employee Leave, DSHS daily conference calls, and communications with CVFD/FD, Police, Utilities, Medical providers, and Industry. Council Member Terry Scull made the motion to Approve taking Action on Continuation and Renewal of Declaration of Local State of Disaster. Council Member Howell Howard seconded the motion. All voted in favor.

Item III. Items of Interest from Council and City Manager, and Citizens – No Action Items.

Item V. Executive Session.

Item VI. Adjournment. Mayor David Chadwick adjourned the meeting.

David Chadwick, Mayor

Attest:

Barbara Boyd, City Secretary

City of Center
Comparative Financial Data
FYE September 30, 2019

Note: Revenues and expenses excluding transfers and debt issuance

Government Wide Net Position	Governmental Activities	Business Type Activities
2019	16,819,796	12,017,507
2018	15,667,994	12,286,698
2017	14,425,297	12,223,066
2016	13,192,980	12,610,285
2015	12,866,454	12,836,051
2014	13,932,208	13,187,895
2013	13,807,005	12,593,995
2012	12,694,284	12,899,716
2011	12,966,297	12,864,852

Analysis: very consistent with increase due to capital investment in last few years in governmental assets

General Fund	Revenue	Expenditures	Ending Fund Balance
2019	4,464,907	4,927,832	1,774,351
2018	4,111,700	4,611,076	1,543,300
2017	4,017,225	4,445,060	1,583,305
2016	3,944,953	4,592,325	1,286,531
2015	5,192,449	5,433,290	1,464,517
2014	5,173,475	5,202,360	1,359,999
2013	5,098,454	5,953,811	1,008,180
2012	5,400,374	5,908,892	1,382,900
2011	5,698,848	5,715,308	1,450,426

Analysis: steady increase in revenues, excluding the sanitation prior to 2015. Expenditures vary bases on capital projects.
Fund balance very consistent with limited change over past decade.

All Governmental Funds	Revenue	Expenditures	Ending Fund Balance
2019	5,765,608	7,249,667	7,110,597
2018	5,992,428	7,029,828	2,472,458
2017	5,551,452	8,242,989	1,948,798
2016	5,328,275	7,041,826	2,571,816
2015	6,695,707	7,344,198	2,147,030
2014	7,037,519	7,499,070	1,970,352
2013	7,751,348	11,028,403	1,478,284
2012	7,092,062	10,393,689	4,364,699
2011	7,247,752	7,637,017	1,653,425

Analysis: Revenues consistent if excluding sanitation in 2015 and prior, expense varies based on capital project.
Fund balance fluctuates based on debt proceeds and capital projects over multiple years.

Water and Sewer Fund	Revenue	Expenditures	Ending Fund Balance
2019	3,621,018	3,271,588	11,631,798
2018	3,821,141	3,410,541	11,838,552
2017	3,681,385	3,302,977	12,159,997
2016	3,670,280	3,605,183	12,538,822
2015	3,689,121	3,108,055	12,836,051
2014	3,380,003	2,824,993	13,187,895
2013	3,132,886	3,092,405	12,593,995
2012	3,371,976	3,137,640	12,899,716
2011	3,371,747	2,994,129	12,864,852

Analysis: Steady increase in revenues and expense with consistent fund balance.

Sanitation	Revenue	Expenditures	Ending Fund Balance
2019	1,590,301	1,458,076	385,709
2018	1,590,848	1,265,848	448,146
2017	1,578,109	1,366,503	63,069
2016	1,408,263	1,151,852	71,463
2015	Included in general fund		

Analysis: Consistent revenues and expense with growing fund balance.



Management's Discussion and Analysis

As management of the City of Center, Texas, we offer readers of the City of Center's financial statements this narrative overview and analysis of the financial activities of the City of Center (City) for the fiscal year ended September 30, 2019.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year resulting in a total net position of \$28,837,303 which is an increase of \$697,919 (*net position*).
- Government activities change in net position increased \$967,110 to \$16,819,796 mostly from additional capital assets.
- The City's governmental funds reported combined ending fund balances of \$7,110,597 an increase of \$4,453,447 from the prior year of \$2,657,150.
- The fund balance for the general fund was \$1,774,351 or 36.0% of total general fund expenditures and increased \$46,359 during this fiscal year.
- The Water and Sewer Fund operating revenues exceeded expenses resulting in operating income of \$349,430 and the fund decreased net position by \$206,754 to \$11,631,798.
- Combined Business Activities decreased Net Position by \$269,191.
- The combined non-major governmental funds experienced an increase in fund balance of \$212,836 to \$1,116,790 primarily in Debt Service and Hotel/Motel Funds.
- The 4B Street Improvements for Economic Development is shown as a component unit of the City. The annual street program is recorded as an expense in the Governmental Funds so that the asset can be recorded.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Center's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets deferred outflows and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, culture and recreation, planning and community development, sanitation and public facilities. The business-type activities of the City include water and sewer utility services.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Center can be divided into two categories: governmental funds or proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Center maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds, including the Debt Service Fund, is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, and special revenue funds - Trust Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budget.

Proprietary Funds. The City maintains two proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Water and Sewer utility and Sanitation services *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer utility and sanitation services, which are considered to be a major funds of the City of Center.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Center's progress in funding its obligations to provide retirement benefits to its employees. This required supplementary information can be found after the notes to financial statements of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found in this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$28,837,303 at the close of fiscal year 2019. This represents an increase of \$697,919 from the 2018 net position of \$28,139,384 after the prior period adjustment.

By far the largest portion of the City's assets (\$19,500,338), 68%, reflects its net investment in capital assets (e.g., land, buildings, vehicles and equipment), less the outstanding balance of related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Center's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. This year's net position values indicate increases because of acquisition and construction of assets through the Capital Projects Fund.

City of Center's Combined Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 8 576 098	\$ 4 069 839	\$ 4 662 292	\$ 2 694 248	\$ 13 238 390	\$ 6 764 087
Capital assets (net of depreciation)	21 748 038	21 938 893	14 806 696	15 147 133	36 554 734	37 086 026
Total Assets	30 324 136	26 008 732	19 468 988	17 841 381	49 793 124	43 850 113
Deferred outflow	1 090 354	603 144	392 897	176 339	1 483 251	779 483
Long-term liabilities outstanding	11 430 171	7 623 692	6 658 992	4 698 207	18 089 163	12 321 899
Other liabilities	1 367 044	1 234 598	752 016	540 481	2 119 060	1 775 079
Total Liabilities	12 797 215	8 858 290	7 411 008	5 238 688	20 208 223	14 096 978
Deferred inflow	1 797 479	2 085 592	433 370	492 334	2 230 849	2 577 926
Net Position:						
Net Investment in capital assets	11 076 376	14 463 076	8 423 962	10 635 379	19 500 338	25 098 455
Restricted	5 253 139	929 158	2 727 864	742 739	7 981 003	1 671 897
Unrestricted	490 281	275 760	865 681	908 580	1 355 962	1 184 340
Total Net Position	\$ 16 819 796	\$ 15 667 994	\$ 12 017 507	\$ 12 286 698	\$ 28 837 303	\$ 27 954 692

Deferred inflow in Governmental Activities is inclusive of pledges made for Portacool Park and the Softball Complex.

An additional portion of the City's net position, \$7,981,003 (28%), represents resources that are subject to external restrictions on how they may be used.

Values for newly constructed, major infrastructure (i.e. streets, drainage) are included in the value of capital assets.

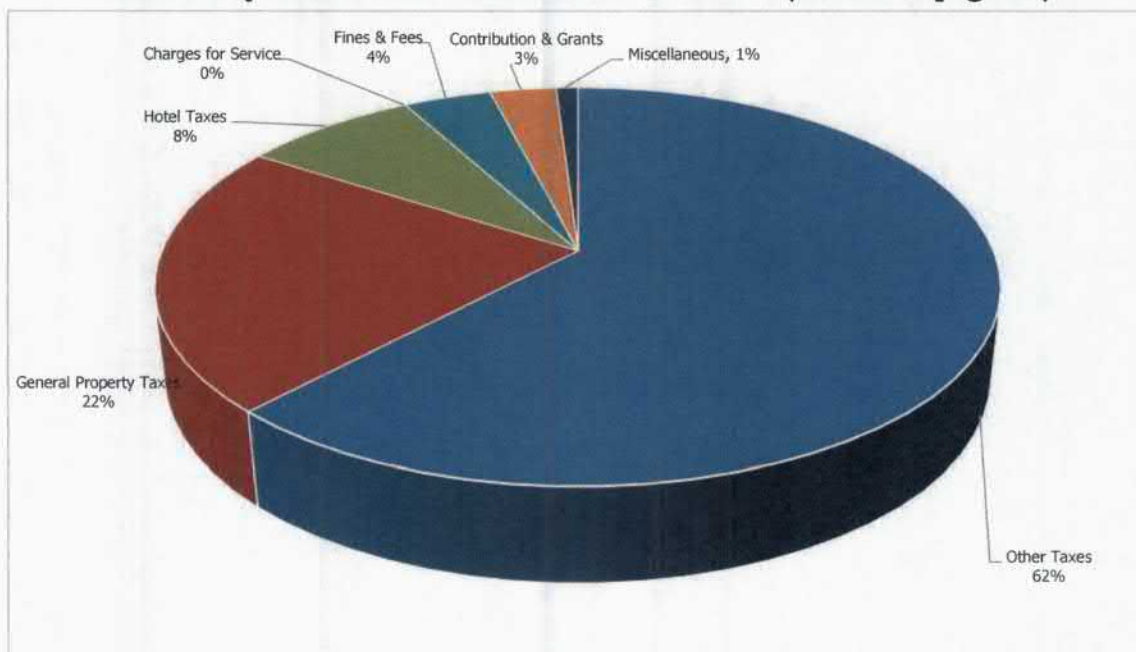
City of Center's Change in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for services	\$ 357 001	\$ 362 943	\$ 5 211 319	\$ 5 411 989	\$ 5 568 320	\$ 5 774 932
Operating grants and contributions	135 300	204 195	-	-	135 300	204 195
Capital grants and contributions	34 688	475 320	-	186 429	34 688	661 749
General Revenues:						
Property taxes	1 673 134	1 623 556	-	-	1 673 134	1 623 556
Other taxes	3 215 333	3 056 271	-	-	3 215 333	3 056 271
Other	524 738	396 099	452 617	45 324	977 355	441 423
Total Revenues	5 940 194	6 118 384	5 663 936	5 643 742	11 604 130	11 762 126
Expenses:						
General government	1 366 025	1 146 049	-	-	1 366 025	1 146 049
Public safety	2 602 775	2 201 437	-	-	2 602 775	2 201 437
Community services	1 269 422	1 301 334	-	-	1 269 422	1 301 334
Streets and drainage	944 829	1 139 283	-	-	944 829	1 139 283
Sanitation	-	-	1 458 076	1 265 848	1 458 076	1 265 848
Inspections	38 868	42 285	-	-	38 868	42 285
Interest on long-term debt	307 699	335 466	-	-	307 699	335 466
Water and sewer	-	-	3 390 226	3 410 541	3 390 226	3 410 541
Total Expenses	6 529 618	6 165 854	4 848 302	4 676 389	11 377 920	10 842 243
Transfers	1 556 534	1 399 602	(1 084 825)	(861 600)	471 709	538 002
Increase (decrease) in net position	967 110	1 352 132	(269 191)	105 753	697 919	1 457 885
Net Position, Ending	\$ 16 819 796	\$ 15 667 994	\$ 12 017 507	\$ 12 286 698	\$ 28 837 303	\$ 27 954 692

Governmental Activities. Governmental activities increased the City of Center's net position by \$967,110. Key elements of this increase are as follows:

- Governmental Fund expenditures exceeded revenues by \$589,424. This is offset by governmental fund transfer of \$1,556,534. This is mostly from transfers from the Utility and Sanitation Funds and internal service funds;
- Governmental Expenses increased \$363,764 from prior year expenses;

Revenues by Source - All Governmental Activities (reference page 19)

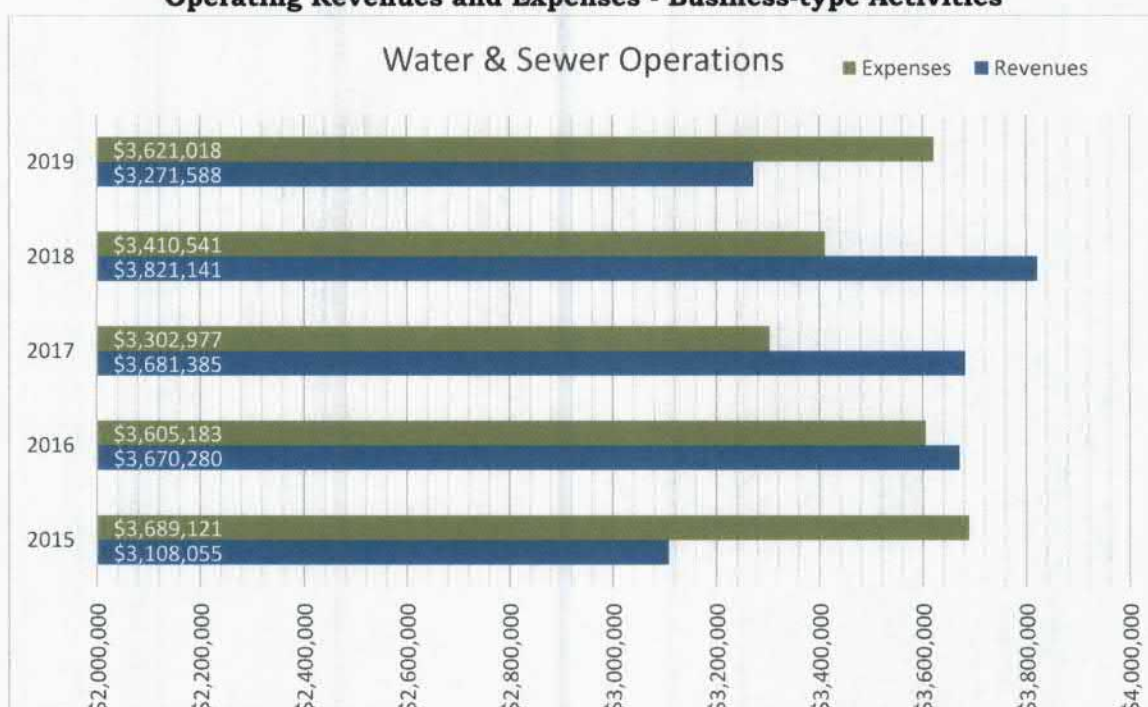


Proprietary Funds. The City of Center's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities but in more detail.

Business-Type Activities. Business-type activities decreased the total government's net position by \$269,191. Key elements of this change are as follows:

- Operating revenues increased \$20,194 to \$5,663,936 from \$5,643,742. This is a result of revenue increases in Sanitation of \$547 and revenue decrease in Water-Sewer of \$200,123.
- Operating expenses increased \$171,913 to \$4,848,302 from \$4,676,389. Water-Sewer expenses decreased \$138,953 while Sanitation expenses increased \$192,228.
- Operating expenses exceeded revenues resulting in Operating Loss of \$(269,191).
- Including non-operating expenses, primarily costs of debt and transfers, Change in Net Position is \$(269,191). Transfers includes transfers to the General Fund, Debt Fund, Technology Fund, and Capital Improvement Fund.

Operating Revenues and Expenses - Business-type Activities



As a component of Total Net Position, the Unrestricted Net Position of the Proprietary Funds at the end of the current fiscal year is \$865,681. Other factors concerning these funds have been addressed in the discussion of the City's business-type activities.

Internal Service Funds. The City operates two Internal Service Funds: the Technology Fund and Equipment Replacement Fund. The Technology Fund was fully capitalized in FY 2018 by transfers from the General and Utility Funds. The Equipment Replacement Fund was created in FY 2018 and will be fully capitalized in FY 2019. The net position for the Equipment Replacement Fund increased by \$90,651 from \$427,616 to \$518,267. However, the Fund had a reduction in cash of \$15,885, bringing its cash at the end of the year to \$138,764. This is a result of the Fund using cash to acquire equipment assets.

Financial Analysis of the Government's Funds

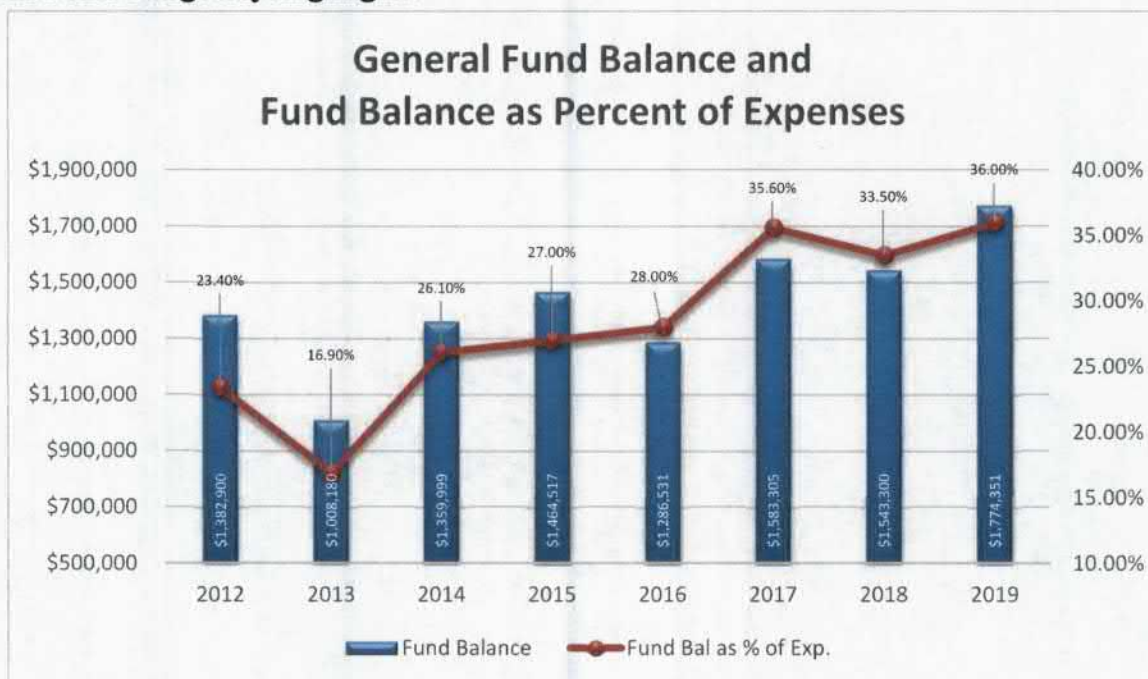
As noted earlier, the City of Center uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund* balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Center's governmental funds reported combined ending fund balances of \$7,110,597, an increase of \$4,453,447 from the prior year, excluding the prior period adjustment. Approximately 25% of this total amount, \$1,774,351, constitutes *unrestricted fund balance*, which is available for spending at the government's discretion. The remaining 75% of fund balance is *restricted* to indicate that it is not available for spending because it has already been committed and dedicated to 1) pay debt service, 2) for perpetual trust 3) for capital projects or 4) grant projects. See page 18 in the report for more detail about the fund balance allocation.

The general fund is the chief operating fund of the City of Center. At the end of the current fiscal year, total general fund balance was \$1,774,351. The fund balance of the City's general fund increased by \$46,359 during the current fiscal year. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 36.0% of total general fund operational expenditures. The City Council established a minimum fund balance policy of 25% of annual expenditures.

General Fund Budgetary Highlights



The General Fund accounts for the primary operations of the City and a budget comparison is provided.

A review of the final amended budget compared to actual revenues/expenditures presents a number of variances. Total revenues increased from the budget by \$248,707. Total expenditures decreased from the budget by \$72,832. After transfers to and from other funds, the general fund experienced an increase in the fund balance of \$46,359.

Capital Asset and Debt Administration

Capital Assets. The City of Center's investment in capital assets for its governmental and business-type activities amounts to \$36,554,734 (net of accumulated depreciation) at the end of the current fiscal year increasing from last year's amount of \$37,227,104. This investment in capital assets includes land, buildings, improvements, vehicles and equipment. Due to the size of the City, past asset valuations for major infrastructure (streets, bridges, drainage, etc.) are not required to comply with reporting requirements, however beginning in fiscal year 2004, the City began prospectively accumulating values for these major capital assets.

City of Center's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 73 072	\$ 73 072	\$ 665 250	\$ 665 250	\$ 738 322	\$ 738 322
Buildings	6 685 601	6 838 859	-	-	6 685 601	6 838 859
Improvements other than buildings	3 649 560	3 792 257	-	-	3 649 560	3 792 257
Machinery and equipment	959 722	980 461	645 502	731 119	1 605 224	1 711 580
Buildings and systems	-	-	13 270 789	13 725 662	13 270 789	13 725 662
Infrastructure	9 990 254	10 243 246	-	-	9 990 254	10 243 246
Construction in progress	389 829	152 076	225 155	25 102	614 984	177 178
Total	\$ 21 748 038	\$ 22 079 971	\$ 14 806 696	\$ 15 147 133	\$ 36 554 734	\$ 37 127 104

Long-Term Debt. At the end of the current fiscal year, the City of Center had total bonded debt outstanding of \$16,420,000, an increase from last year's total bonded debt of \$10,945,000. All is backed by the full faith and credit of the government.

Notes Payable. Notes payable includes a note by the City's Tax Increment Reinvestment Zone Fund to the Center Economic Development Corporation in 2011.

City of Center's Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 10 038 750	\$ 6 440 000	\$ 6 381 250	\$ 4 505 000	\$ 16 420 000	\$ 10 945 000
Compensated absences	112 713	119 116	35 870	36 335	148 583	155 451
Notes payable	632 912	886 256	-	-	632 912	886 256
Total	\$ 10 784 375	\$ 7 445 372	\$ 6 417 120	\$ 4 541 335	\$ 17 201 495	\$ 11 986 707

The City of Center's debt issuance rating by Moody's was upgraded in 2007 from a rating of "Baa2" to a rating of "A2". This pertains to the current debt issuances for general obligation and any other bonded debt. This rating was reaffirmed by Moody's in 2018.

As a Home Rule City, the City of Center, Texas is not limited by law in the amount of debt it may issue. However, the City's Debt Management Policy limits total ad valorem supported outstanding debt to 4% of the taxable base. Utility Fund debt service is limited to 20% of Utility Fund expenditures.

Additional information on the City's long-term debt can be found in note 3. D. of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate as of August 2019 for Shelby County, according to Texas Workforce Commission statistics, is 4.3%. The unemployment rates for August 2019, according to the Texas Workforce Commission, are 3.6% for the State of Texas and 4.1% for the Deep East Texas Region.

- The City's total state sales tax receipts, including the 1¼% for governmental purposes and the two Economic Development Corporations, for the current fiscal year, totaled \$3,353,326 an increase of \$154,139 or 4.8% from the previous year (\$3,199,187). This primarily reflects a return of oil and gas industry activities in the region.
- Economic trends in the area are stabilizing relative to state and national indices and trends.

All of these factors were considered in preparing the City of Center's budget for the 2020 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Center's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Secretary, P. O. Box 1744, 617 Tenaha Street, City of Center, Texas, 75935-1744.

ORDINANCE NUMBER 2020-03

AN ORDINANCE OF THE CITY OF CENTER, TEXAS APPROVING REZONE REQUEST FOR EPPS STREET/OLD AIRPORT ROAD CONSIDERED AND APPROVED ZONING CLASSIFICATION CHANGES TO THE RULES AND REGULATIONS ADOPTED AS ORDINANCE NUMBER 2006-22, THE ZONING ORDINANCE OF THE CITY OF CENTER.

Whereas, The City Council approved and adopted Ordinance No. 2006-22 with an effective date of January 1, 2007 and subsequent amendments thereto; and,

Whereas, Ordinance No. 2006-22 requires the use of properties within a specific, defined district, as established by the Zoning Map, to be in conformity with the use requirements established thereunder or amendments as considered and approved by the Planning & Zoning Commission and City Council;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CENTER, TEXAS THAT:

1. The attached application, Exhibit A, for zoning change at Epps Street/Old Airport Road is hereby ratified based on the prior action and recommendation of the Planning & Zoning Commission.
2. The official zoning map is hereby ordered to be updated to reflect and ensure the identification of the change approved, herein and attached as Exhibit B.
3. All other sections and sub-sections not specifically identified as amended by this ordinance shall remain in full force and effect except as they may conflict with these revised provisions in which case the amendments herein shall control.
4. If any section, paragraph, subdivision, clause, phrase, or provision of this Ordinance or the attached Exhibits shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this Ordinance as a whole or any part of provision thereof other than the part so decided to be invalid or unconstitutional.
5. The meetings at which this ordinance and the rules and regulations herein considered, adopted and approved as well as those at which original actions related to these ratified changes were open to the public.
6. This ordinance shall be in full force and effect upon its passage and publication in accordance with the Charter of the City of Center and the laws of the State of Texas.

PASSED AND APPROVED BY THE CITY COUNCIL THIS THE 13th DAY OF April, 2020.

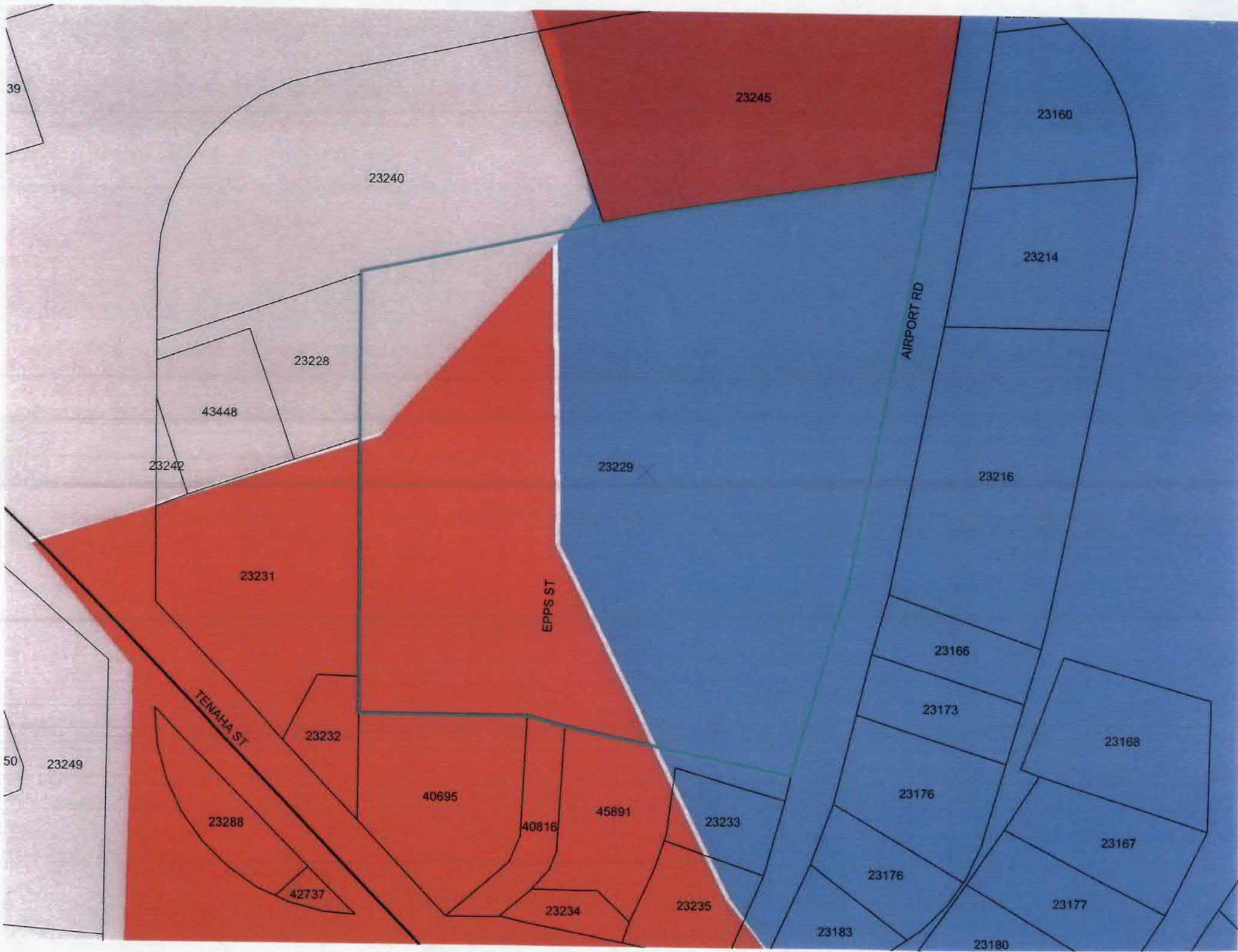
CITY OF CENTER:

David Chadwick, Mayor

ATTEST:

Barbara Boyd, City Secretary

EXHIBIT A





617 Tenaha Street • P.O. Box 1744
Center, Texas 75935-1744

(936) 598-2941 • Fax (936) 598-2615
www.centertexas.org

Application No. 2020-1

§ PLANNING & ZONING COMMISSION
§
§ CITY OF CENTER, TEXAS
§
§ APPLICATION FOR REZONING

RECOMMENDATION TO CITY COUNCIL

On April 8, 2020, came before the Planning and Zoning Commission ("P&Z") Application Number 2020-1 ("Application"). In the Application, the Applicant, Darren & Kerri Wiggins, desires that the property described as 0644 Nancy Smith Survey Block 91 Tract 10 – Epps Street/Old Airport Road be granted a **Rezone** from Residential SF1 to Commercial 1. The property is currently zoned as Residential SF1. The P&Z, having considered the Application, and the evidence and arguments presented at the hearing held on this matter, **RECOMMENDS** to the City Council that the Application be:

☒ **GRANTED.**

☐ **DENIED** () without or () with prejudice to refilling.

In addition, the P&Z provides the following information (if any) concerning its decision:

SIGNED this the 8th day of April, 2020.



CHAIRPERSON, P&Z COMMISSION

CITY COUNCIL ACTION

On the 13th day of April 2020, the City Council of the City of Center met in regular session and considered the above recommendation of the Planning and Zoning Commission. After due consideration of the facts, evidence, and the recommendation, the City Council voted as indicated below on this matter. The City Council of the City of Center hereby declares that the Application is hereby:

☐ **GRANTED.**

☐ **DENIED** () without or () with prejudice to refilling.

DAVID CHADWICK, MAYOR

April 6, 2020

RE: Application 2020-1 (Rezoning SF1 to C1 – Epps St./Old Airport Road)

Planning and Zoning Commission:

***CASE # 2020-1 --- Epps St/Old Airport Rd:**

Request is Rezone the portion of the overall tract from SF1 To C1

The City has received a request to rezone a portion of the tract intersected by Epps Street and bounded to the east by Old Airport Road to utilize the entire property for uses eligible in a C1 district (small retail/commercial) identified in Section 22. The original zoning map partitioned this parcel with the west side of Epps St zoned C1 and most area east of Epps St zoned SF1.

This parcel, both the remaining C1 are and the area requested for a zoning change, are vacant. Epps Street appears to be an undesignated/undedicated right of way that could be

Included with the application are maps of the location with the 200' notice area with and without zoning districts represented.

Notices/Comments:

No written responses from an adjacent property upon receipt of the notice have been received. One call was taken seeking clarification from Hudson St property owner who supported application upon explanation.

Other Issues:

- 1) Utilities to site nor access are no reason for concern in ultimate subdivision or development.

Alternative(s):

Chad D. Nehring
Zoning Official



MUNICIPAL ZONING APPLICATION

PROPERTY INFORMATION:

Address: Epps Street Center, TX 75935 Property # 23229
Legal Description: Lot(s) _____ Block _____ Subdivision _____

OWNER INFORMATION:

Owner Name Darren + Kerri Wiggins Daytime Phone 936-488-9060
Signature Kerri L. Wiggins
Mailing Address 125 Foster Street Center, TX 75935

APPLICANT INFORMATION:

Applicant Name Darren + Kerri Wiggins Daytime Phone 936-488-9060
Signature Kerri L. Wiggins
Mailing Address 125 Foster Street Center, TX 75935

DESCRIPTION OF REQUEST:

We would like to property that is zoned residential to be
changed to commercial. We have a party interested in building
a medical clinic on said property but it has to be zoned
commercial for the company to move forward on the purchase.
Thank you so much!

(Attach additional sheets and diagrams, if necessary)

TYPE OF REQUEST:

Rezoning Request (Fee \$150.00) ☒ Specific Use Permit (Fee \$150.00) ☐

I do hereby certify that the above information is true and correct to the best of my knowledge.

Kerri L. Wiggins
Signature of Property Owner

3/2/20
Date

Kerri L. Wiggins
Signature of Applicant

3/2/20
Date

NOTE: This application will not be processed unless accompanied by a filing fee as indicated above, please make checks payable to "City of Center".

Date filed _____ Case number _____ Accepted by _____

Shelby CAD

Property Search > 23229 WIGGINS DARREN & KERRI for Year 2019

Tax Year: 2019

Property

Account

Property ID: 23229
Geographic ID: 19-0644-0091-0010-00
Type: Real
Property Use Code:
Property Use Description:

Legal Description: A- 0644 SMITH NANCY SUR BLK 91 TR 10 6.933 ACRES
Zoning:
Agent Code:

Location

Address: EPPS ST
CENTER, TX 75935
Neighborhood: CENTER ISD PROPERTIES
Neighborhood CD: SCN

Map ID: 36

Owner

Name: WIGGINS DARREN & KERRI
Mailing Address: 125 FOSTER ST
CENTER, TX 75935

Owner ID: 190287
% Ownership: 100.0000000000%

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$117,860	\$590
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$117,860	
(-) Ag or Timber Use Value Reduction:	-	\$117,270	
<hr/>			
(=) Appraised Value:	=	\$590	
(-) HS Cap:	-	\$0	

(=) Assessed Value: = \$590

Taxing Jurisdiction

Owner: WIGGINS DARREN & KERRI

% Ownership: 100.0000000000%

Total Value: \$117,860

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax	
CAD	Shelby County Appraisal District	0.000000	\$590	\$590	\$0.00	
CCN	CITY OF CENTER	0.610000	\$590	\$590	\$3.60	
GSH	SHELBY COUNTY	0.623200	\$590	\$590	\$3.68	
RDB	ROAD AND BRIDGE	0.079500	\$590	\$590	\$0.47	
SCN	CENTER ISD	1.312100	\$590	\$590	\$7.74	
	Total Tax Rate:	2.624800				
				Taxes w/Current Exemptions:	\$15.49	
				Taxes w/o Exemptions:	\$15.49	

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	F	FARM	6.9330	301870.80	0.00	0.00	\$117,860	\$590

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2020	N/A	N/A	N/A	N/A	N/A	N/A
2019	\$0	\$117,860	590	590	\$0	\$590
2018	\$0	\$117,860	0	117,860	\$0	\$117,860
2017	\$0	\$117,860	0	117,860	\$0	\$117,860
2016	\$0	\$117,860	0	117,860	\$0	\$117,860
2015	\$0	\$117,860	0	117,860	\$0	\$117,860
2014	\$0	\$117,860	0	117,860	\$0	\$117,860
2013	\$0	\$117,860	0	117,860	\$0	\$117,860
2012	\$0	\$117,860	0	117,860	\$0	\$117,860
2011	\$0	\$104,000	0	104,000	\$0	\$104,000


2010	\$0	\$104,000	0	104,000	\$0	\$104,000
2009	\$0	\$104,000	0	104,000	\$0	\$104,000
2008	\$0	\$104,000	0	104,000	\$0	\$104,000
2007	\$0	\$62,400	0	62,400	\$0	\$62,400
2006	\$0	\$62,400	0	62,400	\$0	\$62,400

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	12/23/2011	WD	WARRANTY DEED	WIGGINS JAMES/WIGGINS JOSEPH	WIGGINS DARREN & KERRI	2012000950		2012000950
2	12/22/2011	WD	WARRANTY DEED	WIGGINS WHOLESALE INC	WIGGINS JAMES/WIGGINS JOSEPH	2012000523		2012000523
3	3/15/2002	WDVL	WARRANTY DEED W/ VENDOR'S LIEN	WIGGINS LOGGING INC	WIGGINS WHOLESALE INC	934	669	0

Tax Due

Property Tax Information as of 03/05/2020

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (936) 598-6171



23245

23160

23240

2314

23228

43448

23242

23229

23216

23231

EPPS ST

AIRPORT RD

23232

23166

TENAH ST

23173

23248

23168

40695

23176

23288

40816

45891

23233

23167

42737

23176

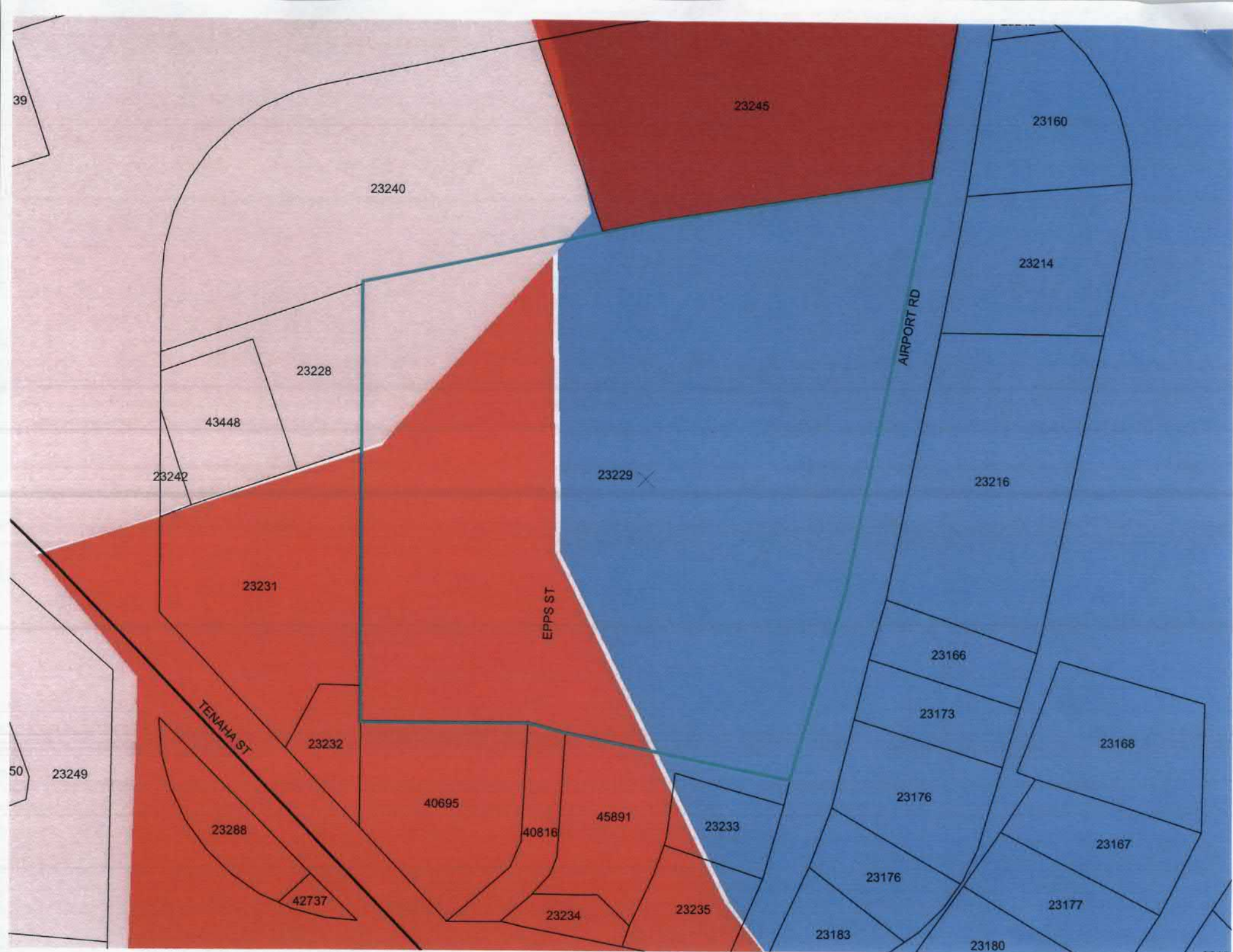
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EPPS ST

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TENAHIA ST

23232

23173

23168

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40695

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23180



ORDINANCE NO. 2020-04

AN ORDINANCE OF THE CITY OF CENTER, TEXAS, DESIGNATING AN INDUSTRIAL DISTRICT TO BE KNOWN AS THE CENTER INDUSTRIAL DISTRICT NO. 1; AUTHORIZING AND DIRECTING THE EXECUTION OF AN AGREEMENT FOR SAID DISTRICT BETWEEN THE OWNER OF THE LAND; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Center ("City") is a home-rule municipality possessing the full power of local self-government pursuant to Article 11, Section 5 of the Texas Constitution, Section 51.072 of the Texas Local Government Code, and the Home Rule Charter for the City of Center, Texas; and,

WHEREAS, Section 42.044 of the Texas Local Government Code authorizes the governing body of a municipality to designate an area within its extraterritorial jurisdiction as an industrial district and authorizes the municipality to treat the designated area in a manner considered by the governing body to be in the best interests of the municipality, including making written contracts with owners of land in the district to guarantee the continuation of the extraterritorial status of the district and its immunity from annexation by the municipality and with other lawful terms and considerations that the parties agree to be reasonable, appropriate, and not unduly restrictive of business activities; and,

WHEREAS, the City Council of the City of Center, Texas, desires to designate an industrial district, to be known as Center Industrial District No. 1 and to execute an agreement with the owner of the land contained within the district.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTER, TEXAS:

Section 1. Industrial District Designated

From and after the effective date of this Ordinance, the land and property described in Exhibit "A", attached hereto and incorporated herein by reference for all purposes allowed by law, is hereby designated as comprising the Center Industrial District No. 1, as authorized by Section 42.044 of the Texas Local Government Code, to the extent that such land and property lie within the extraterritorial jurisdiction of the City of Center, Texas. The fact that any land and property does not lie within the extraterritorial jurisdiction of the City of Center, Texas, if any, does not invalidate or alter this Ordinance.

The land within Center Industrial District No. 1 that is sold or leased, if any, shall remain in such District and be subject to the terms of this Ordinance and to the terms of the Industrial District Agreement as described in Section 2 of this Ordinance.

Section 2. Industrial District Agreement Authorized

The City of Center, Texas, is hereby authorized to enter into an Industrial District Agreement with the owner of the land and property described in Exhibit "A". Such agreement is attached hereto as Exhibit "B" and incorporated herein by reference for all purposes allowed by law.

The Mayor of the City of Center is hereby authorized and directed to execute such agreement.

Section 3. Severability Clause

It is hereby declared to be the intention of the City Council that the words, phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any word, phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgement or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of any such unconstitutional word, phrase, clause, sentence, paragraph or section.

Section 4. Repealer Clause

Any provision of any prior Ordinance of the City, whether codified or uncoded, which is in conflict with any provision of this Ordinance, is hereby repealed to the extent of the conflict, but all other provisions of the Ordinances of the City, whether codified or uncoded, which are not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section 5. Effective Date

This Ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and Charter in such cases provide.

PASSED AND APPROVED this 13th day of April, 2020.

David Chadwick, Mayor

ATTEST:

Barbara Boyd, City Secretary

EXHIBIT A

BEING 25.549 acres of land, more or less, a part of the JESSE AMASON SURVEY, A-10, Shelby County, Texas, and being the land described in the part of the original 47.5 acre tract described in the deed from Timberland Properties #25 to Timberland Properties dated July 12, 2011, recorded under Instrument No. 2011005479, Official Public Records, Shelby County, Texas; and being described by metes and bounds as follows, to-wit:

Note that in the following description,

Bearings refer to Grid North of the Texas Coordinate System of 1983 (Central Zone 4203) as computed from GPS vectors; at the Point of Beginning, True Azimuth = Grid Azimuth + 3 deg. 10 min. 30 sec., and "1/2 inch iron rod set" denotes a 1-1/2 inch aluminum cap stamped "HOFFPAUIR RPLS 4492" affixed to a 1/2 inch iron rod.

BEGINNING at the Southeast corner of the called 35.68 acre tract and the Southeast corner of the called 47.5 acre tract, a point for corner from which a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for witness bears N. 12 deg. 23 min. 35 sec. E., 1.08 feet, said beginning corner being in the North boundary line of a called 8.026 acre tract conveyed by M & H Farming and Leasing, LLC to Earnie Mae Garner as described in Warranty Deed dated October 27, 2006, recorded in 1063/745 SCOPR (no Exhibit "A" was attached to this deed), said 8.026 acre tract being part of a called 34.98 acre tract conveyed by Y.D. Jackson and wife, Essrine Jackson to M & H Farming and Leasing, LLC as described in Warranty Deed dated June 25, 2001, recorded in 915/735 SCOPR, from said beginning corner a 1/2 inch iron rod found for corner in the West base of a forked 57 inch red oak and at the Northeast corner of the called 8.026 acre tract and the Northeast corner of the called 34.98 acre tract bears S. 73 deg. 40 min. 47 sec. E., 110.66 feet;

THENCE N. 73 deg. 40 min. 47 sec. W., with the South boundary line of the called 35.68 acre tract, the South boundary line of the called 47.5 acre tract, the North boundary line of the called 8.026 acre tract, and with the North boundary line of the called 34.98 acre tract, at 35 feet pass the centerline of dirt and asphalt pavement on County Road 2225 (Waterhouse Street), at 389.89 feet pass a 1/2 inch iron rod set for corner in an old down barbwire fence, from said iron rod at a 9 inch red oak, marked "X", bears S. 86 deg. W., 14.4 feet, said corner being the Northeast corner of a 1.534 acre tract surveyed this date for Tyson Foods, Inc., and continuing with the South boundary line of the called 35.68 acre tract, the South boundary line of the called 47.5 acre tract, the North boundary line of the called 8.026 acre tract, the North boundary line of the called 34.98 acre tract, and with the North boundary line of the 1.534 acre tract, in all, **N. 73 deg. 40 min. 47 sec. W., 468.98 feet** (called N. 70 deg. 30 min. W. in 202/607 SCDR) to a 1/2 inch iron rod found for corner up 0.4 feet in an old pine stump fence corner, said corner being the Northwest corner of the called 8.026 acre tract, the Northwest corner of the called 34.98 acre tract, the Northwest corner of the 1.534 acre tract, and also being the Northeast corner of a called 115 acre tract designated "First Tract" and conveyed by Phillip Durham to Donald Mark Walker and wife, Phyllis Sue Walker as described in General Warranty Deed dated August 8, 2006, recorded in 1077/82 SCOPR, from said iron rod a 1/2 inch iron rod found for witness up 0.5 feet and 2 feet West of a barbwire fence bears S. 32 deg. 52 min 13 sec. W., 2.98 feet;

THENCE N. 72 deg. 27 min. 45 sec. W., 758.42 feet (called N. 70 deg. 30 min. W. in 202/607 SCDR) with the South boundary line of the called 35.68 acre tract, the South boundary line called 47.5 acre tract, and with the North boundary line of the called 115 acre tract to a 1/2 inch iron rod with 1 inch plastic cap imprinted "RPLS 1476" found for corner in a barbwire fence, said corner being the Southwest corner of the called 35.68 acre tract and the Southeast corner of a called 6.5 acre tract conveyed by Phillip Jennings et al to Ada Echols and husband, Judge Echols as described in Deed dated September 6, 1929, recorded in 165/335 SCDR, from said iron rod a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" bears S. 10 deg. 47 min. 11 sec. W., 2.81 feet;

THENCE N. 10 deg. 47 min. 11 sec. E., 106.01 feet with the West boundary line of the called 35.68 acre tract and the East boundary line of the called 6.5 acre tract to a point for corner on the Southeast right-of-way of State Loop 500 (F.E. Parker Parkway) and at the Southernmost corner of a called 3.51 acre tract designated "Parcel No. 17" and conveyed by Charlie Mae Goodwin, et al to the State of Texas as described in Deed recorded in 609/920 SCDR, from said point for corner a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for witness bears S. 56 deg. 05 min. 47 sec. W., 0.58 feet, a 1/2 inch iron rod found for witness in the East boundary line of the called 6.5 acre tract at its intersection with the Northwest right-of-way of State Loop 500 bears N. 10 deg. 47 min. 11

sec. E., 329.07 feet, and a Texas Department of Transportation concrete right-of-way monument found for witness bears S. 56 deg. 16 min. 40 sec. W., 24.54 feet;

THENCE with the Southeast boundary line of the called 3.51 acre tract and the Southeast right-of-way of State Loop 500, as follows;

N. 56 deg. 16 min. 40 sec. E., 55.35 feet to a broken Texas Department of Transportation concrete right-of-way monument found for corner;

N. 41 deg. 36 min. 38 sec. E., 100.34 feet to a 1/2 inch iron rod 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner in a broken Texas Department of Transportation concrete right-of-way monument;

N. 30 deg. 21 min. 41 sec. E., 102.02 feet to a 1/2 inch iron rod 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner;

N. 41 deg. 38 min. 49 sec. E., 399.99 feet to a 1/2 inch iron rod 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner in a broken Texas Department of Transportation concrete right-of-way monument;

N. 52 deg. 59 min. 34 sec. E., 204.01 feet to a 1/2 inch iron rod 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner alongside a Texas Department of Transportation concrete right-of-way monument found intact but washed out of the ground;

N. 35 deg. 55 min. 43 sec. E., 201.24 feet to a point for corner in the southernmost North boundary line of the called 35.68 acre tract, the Southernmost North Boundary Line of the called 47.5 acre tract, at the easternmost corner of the called 3.51 acre tract, and at the Southwest corner of a called 1.442 acre tract conveyed by Chamber Center of Commerce to Ronnie Dickerson and wife, Nancy C. Dickerson as described in Warranty Deed dated December 10, 1984, recorded in 645/737 SCDR, from said point for corner a 1/2 inch iron rod found for witness on the North West right-of-way of State Loop 500 at the Northwest corner of the called 3.51 acre tract bears N. 75 deg. 30 min. 15 sec. W., 202.25 feet, a Texas Department of Transportation concrete right-of-way monument found for witness bears N. 35 deg. 55 min. 43 sec. E., 202.52 feet, and a 1/2 inch iron rod found for witness bears N. 75 deg. 30 min. 15 sec. W., 0.20 feet;

THENCE S. 75 deg. 30 min. 15 sec. E., 250.78 feet (called S. 74 deg. E. in 202/607 SCDR) 250.78 feet with the southernmost North boundary line of the called 35.68 acre tract, the southernmost North boundary line of the called 47.5 acre tract, and with the South boundary line for the called 1.442 acre tract to a 1/2 inch iron rod found for corner from which an 8 inch water oak, marked "X", bears N. 72 deg. 20 min. E., 7.8 feet, and an 8 inch water oak, marked "X", bears S. 17 deg. 01 min. E., 17.3 feet, said corner being a reentrant corner of the called 35.68 acre tract, a reentrant corner of the called 47.5 acre tract, and the Southwest corner of the called 1.442 acre tract;

THENCE N. 10 deg. 56 min. 38 sec. E., 79.98 feet (called N. 14 deg. E. in 202/607 SCDR) with the northernmost West boundary line of the called 35.68 acre tract, a West boundary line of the called 47.5 acre tract, and with the East boundary line of the called 1.442 acre tract to a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner on the West bank of a small ravine, from said iron rod

- a 13 inch red oak, found marked "X", bears S. 84 deg. 42 min. E., 13.5 feet,
- a 13 inch maple, marked "X", bears S. 84 deg. 42 min. E., 18.0 feet, and
- a 1/2 inch iron rod found for corner at the northernmost corner of the 1.442 acre tract on the Southeast right-of-way of State Loop 500 bears N. 10 deg. 56 min. 38 sec. E., 374.09 feet, said corner being the Southwest corner of a called 10 acre tract conveyed by Albert Crawford and wife, Mary Crawford to Ida Lee Jennings as described in Warranty Deed dated May 2, 1940, recorded in 596/116 SCDR;

THENCE S. 82 deg. 34 min. 36 sec. E., with the South boundary line of the called 10 acre tract, at 431.36 feet pass a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for witness and in all, S. 82 deg. 34 min. 36 sec., E. 451.92 feet to a point for corner in asphalt pavement on County Road 2225 (Waterhouse Street) in the East boundary line of the called 35.68 acre tract and in the East boundary line of the called 47.5 acre tract, from said point for corner a 1/2 inch iron rod with 1 inch plastic cap printed "OPPERMAN SURVEYING CO RPLS 4168" found for corner at the Northeast corner of the called 35.68 acre tract, the Northeast corner of the called 47.5 acre tract, and the Northeast corner of the called 10 acre tract bears N. 12 deg. 23 min. 35 sec. E., 909.88 feet;

THENCE S. 12 deg. 23 min. 35 sec. W., with the East boundary line of the called 35.68 acre tract and the East boundary line of the called 47.5 acre tract, at 1227.79 feet pass a 1/2 inch iron rod found for

witness and in all, S. 12 deg. 23 min. 35 sec. W., 1228.87 feet (called S. 15 deg. W. in 202/607 SCDR) to the point of BEGINNING, containing 25.549 acres of land, more or less.

Surveyed by Glenn Hoffpauir, Registered Professional Land Surveyor No. 4492, State of Texas on November 15, 2019.

EXHIBIT B

STATE OF TEXAS

COUNTY OF SHELBY

INDUSTRIAL DEVELOPMENT AGREEMENT

This **AGREEMENT** is made and entered into by and between the **CITY OF CENTER, TEXAS**, a municipal corporation in Shelby County, Texas, hereinafter called "**CITY**", and **TYSON FARMS QOZB, LLC, a Delaware limited liability company and TYSON FARMS, INC., a North Carolina Corporation** hereinafter collectively called "**COMPANY**".

Witnesseth:

WHEREAS, it is the established policy of the City Council of the City of Center, Texas, to adopt such reasonable measures from time to time as are permitted by law and which will tend to enhance the economic stability and growth of the **CITY** and its environs by attracting the location of new and the expansion of existing industries therein, and such policy is hereby reaffirmed and adopted by this City Council as being in the best interest of the **CITY** and its citizens; and

WHEREAS, **COMPANY** already has an established presence in the City of Center, Texas, and wishes to expand their feed mill operation into Shelby County. The specific property is described in Exhibit A and shall be referred to as "**PROPERTY**".

WHEREAS, **COMPANY** is committing to making a substantial investment into the community, and as a result of this investment, will create a number of employment opportunities.

WHEREAS, heretofore, as authorized by Ordinance, the **CITY** designated **PROPERTY** to be an Industrial District and designated certain **COMPANY** owned property as an Industrial District of the **CITY**.

WHEREAS, it is the desire of both the **CITY** and **COMPANY** to take the necessary steps under applicable Texas law to extend the term of said Industrial District Contract as to the **PROPERTY** described herein, thereby enhancing the economic stability and growth of the **CITY**.

WHEREAS, **COMPANY** desires to minimize its property tax burden and avoid regulation by the **CITY** of **COMPANY's** structures and properties within such District.

WHEREAS, the **CITY** on the ____ day of _____, 2020, enacted its Ordinance 2020-__ designating the **PROPERTY** described in Exhibit "A" attached hereto as the Center Industrial District, hereinafter called "the **DISTRICT**".

NOW, THEREFORE, in consideration of the premises and the mutual agreements of the parties contained herein and pursuant to the authority granted under the Municipal Annexation Act and the Ordinances of the **CITY**, the **CITY** and **COMPANY** hereby agree with each other as follows:

I.

The **CITY** covenants, agrees, and guarantees that during the term of this **AGREEMENT**, provided below, and subject to the terms and provisions of this **AGREEMENT**, said **PROPERTY** shall continue to retain its extraterritorial status. By entering this **AGREEMENT** and remaining inside the **CITY's** extraterritorial jurisdiction, **COMPANY** recognizes that it has no statutory right to any **CITY** services. The **CITY** does further covenant, agree, and guarantee that such **PROPERTY** shall be immune from annexation by the **CITY** during the term hereof and shall have no right to have extended to it any services by the **CITY**, including without limitation hereby: water, sanitary sewer, sewer disposal, garbage and trash disposal, police, and fire. Further, all **PROPERTY**, shall not have extended to it by **CITY** Ordinance any rules and regulations (a) governing plats and subdivisions of land, (b) prescribing any building, electrical,

plumbing, or inspection codes or codes, (c) the imposition of any building permit or inspection fees associated, or (d) attempting to exercise in any manner whatever control over the conduct of business thereon, other than environmental regulations pertaining to sewer service.

As a specific condition of this **AGREEMENT**, **COMPANY** will be allowed to connect to the **CITY** water and sewer, with monthly services equivalent to rates charged by other properties located within **CITY** limits and/or purview. Further, **COMPANY** will not be charged for any public safety response as may be applicable.

II.

Under the terms of the Texas Property Tax Code, the appraised value for tax purposes of any annexed portion of **PROPERTY**, any improvements, and any tangible personal property located thereon shall be determined by the Shelby County Appraisal District. The parties hereto agree that said Appraisal District shall have authority to appraise the **PROPERTY**, any improvements, and any tangible personal property located thereon in the unannexed area for the purposes of computing the **IN LIEU TAX** payments hereunder.

Nothing herein contained shall ever be interpreted as lessening the authority of the Shelby County Appraisal District to establish the appraised value of the **PROPERTY**, any improvements, and any tangible personal property located thereon in the unannexed area, for ad valorem tax purposes.

III.

On or before October 15 of each calendar year, **COMPANY** shall provide the **CITY** a written description of its **PROPERTY** and all improvements and tangible personal property located on the **PROPERTY** as of the immediately preceding January 1 calendar year, stating the rendered **PROPERTY** value as reflected on the County tax roll as prepared by the Shelby County Appraisal District (the "**RENDITION**"). A failure by **COMPANY** to file a **RENDITION** as

provided in this paragraph, shall not constitute a waiver by **COMPANY** for the current tax year, of all rights of protest and appeal under the terms of this **AGREEMENT**.

COMPANY must include in its **RENDITION** to the Shelby County Appraisal District a detailed description of any and all inventory subject to ad valorem taxation and any applicable inventory that will be included in the calculation of any **IN LIEU TAX** payments.

The **CITY** will calculate **IN LIEU TAX** invoice and present it to **COMPANY** on or before November 1 of each calendar year. **COMPANY** will be responsible for notifying the **CITY** of the proper address to submit the **IN LIEU TAX** invoice.

COMPANY agrees to render to the **CITY** and pay an amount **IN LIEU TAX** on **COMPANY's PROPERTY**, any improvements, any tangible personal property located thereon, and applicable inventory in the unannexed area equal to the sum of:

Forty-five percent (45%) of the amount of ad valorem taxes which would be payable to the **CITY** if all **COMPANY'S PROPERTY** and any improvements located thereon existed on January 1, 2021; January 1, 2022; January 1, 2023; January 1, 2024; and January 1, 2025; had been located within the corporate limits of the **CITY** and appraised each year by the Shelby County Appraisal District.

Fifty percent (50%) of the amount of ad valorem taxes which would be payable to the **CITY** if all **COMPANY'S PROPERTY** and any improvements located thereon existed on January 1, 2026; January 1, 2027; January 1, 2028; January 1, 2029; and January 1, 2030; had located been within the corporate limits of the **CITY** and appraised each year by the Shelby County Appraisal District.

Sixty percent (60%) of the amount of ad valorem taxes which would be payable to the **CITY** if all **COMPANY'S PROPERTY** and any improvements located thereon existed on January 1, 2031; January 1, 2032; January 1, 2033; January 1, 2034; and January 1, 2035; had been within the corporate limits of the **CITY** and appraised each year by the Shelby County Appraisal District. (collectively the "**IN LIEU TAX**")

If this **AGREEMENT** is extended under the terms of Section IV., then the percentage amount for purposes of calculating the **IN LIEU TAX** amount shall remain at sixty percent (60%) throughout the remaining term of this **AGREEMENT**.

COMPANY will have forty-five (45) days from the date of the invoice to remit to the **CITY** the **IN LIEU TAX** payment.

IV.

This **AGREEMENT** shall extend for a period beginning on January 1, 2021, and continuing until December 31, 2036. Unless **COMPANY** and the **CITY** reach an alternative arrangement, this **AGREEMENT** shall automatically renew for an additional fifteen (15) years and will expire December 31, 2051.

V.

In the event **COMPANY** elects to protest the valuation for tax purposes set on its said **PROPERTY** by the Shelby County Appraisal District for any year or years during the terms hereof, nothing contained in this **AGREEMENT** shall preclude such protest and **COMPANY** shall have the right to take all legal steps desired by it to reduce the same.

Notwithstanding such protest by **COMPANY**, **COMPANY** agrees to pay to the **CITY** on or before the due date described in Section III. An **IN LIEU TAX** amount as calculated on any current value. If **COMPANY** is successful in the protest proceedings and **COMPANY** has

overpaid their annual **IN LIEU TAX** payment, then the **CITY** will remit any difference owed to **COMPANY** within forty-five (45) days of rebate request.

VI.

This **AGREEMENT** is not intended to impose a cap or freeze upon the current **CITY** property tax rate. The **CITY** is governed by the Texas Property Tax Code and will choose at its discretion and within the guidelines of the law, a property tax rate to meet its obligations.

VII.

The **CITY** shall be entitled to a tax lien on **COMPANY's** above described **PROPERTY**, all improvements located thereon, and all tangible personal property and inventory located thereon, but only in the event of default in payment of **IN LIEU TAX** payments hereunder, which such defaulted in payment shall accrue penalty and interest in like manner as delinquent taxes, and which shall be collectible by the **CITY** in the same manner as provided by law for delinquent taxes.

VIII.

This **AGREEMENT** shall inure to the benefit of and be binding upon the **CITY** and **COMPANY**, and upon **COMPANY's** successors and assigns, affiliates, and subsidiaries, and shall remain in force whether **COMPANY** sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the **PROPERTY** belonging to it within the territory hereinabove described, and the agreements herein contained shall be held to be covenants running with the **PROPERTY** owned by **COMPANY** situated within said territory, for so long as this **AGREEMENT** or any extension thereof remains in force.

COMPANY shall give the **CITY** written notice within thirty (30) days of any disposition of any portion of the **PROPERTY** with information on the location and other particulars of the sale, assignment or lease, not considered confidential, regarding the property sold, assigned or leased and the identity of the purchaser, assignee, or lessee.

In the event that any of **COMPANY's PROPERTY** is sold to a third party, other than an affiliate of **COMPANY**, the **CITY** shall enter into an agreement binding the purchaser and its assigns upon terms substantially similar to those contained in this **AGREEMENT** for the balance of the term of this **AGREEMENT** (the "**ASSIGNEE'S AGREEMENT**"). For the purposes of this paragraph, an affiliate shall include a subsidiary, parent and/or commonly controlled affiliate of **COMPANY** (collectively "**COMPANY AFFILIATE**").

In the event such purchaser or its assigns for any reason fails to execute such **ASSIGNEE'S AGREEMENT** within four (4) months after the date of the sale, then all of the land described in such deed shall be excluded from the **AGREEMENT** and this **AGREEMENT** shall constitute an Application for Voluntary Annexation by the **CITY**. If annexation by the **CITY** is unfeasible, then upon such sale of any land located within the **PROPERTY** to a third party other than a **COMPANY AFFILIATE**, responsibility and liability for the performance of this **AGREEMENT** thereafter with respect to the **PROPERTY**, any improvements and any personal property located thereon and included in such sale shall be the sole responsibility of the purchaser and its assigns and the **IN LIEU TAX** payments to be made pursuant to Section III hereof shall revert to one hundred percent (100%) of the tax bill that would be payable to the **CITY**.

IX.

In the event the terms and conditions of this **AGREEMENT** are rendered ineffective, or their effect changed by an amendment to the Constitution, any State or Federal legislative changes, or any interpretation of the Texas Property Tax Code by a commission or board in the executive branch of state government having statewide jurisdiction, both parties mutually agree that upon the request of either party, this **AGREEMENT** shall be renegotiated to accomplish the intent of this **AGREEMENT**. For the avoidance of doubt, both parties acknowledge and agree that changes in the appraised value (as defined in the Texas Property Tax Code) of the

PROPERTY, any improvements, or any personal property located thereon and owned by **COMPANY** or **COMPANY AFFILIATE** shall not constitute a change with respect to which a party hereto may request that this **AGREEMENT** be renegotiated.

X.

The parties agree that this **AGREEMENT** complies with existing laws pertaining to the subject and that all terms, considerations and conditions set forth herein are lawful, reasonable, appropriate, and are not unduly restrictive of **COMPANY's** business activities. Without such agreement, neither party hereto would enter into this **AGREEMENT**. In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, articles or other parts of this **AGREEMENT** or the application thereof to any person, firm, corporation or circumstances shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, articles or other parts of this **AGREEMENT** shall be deemed to be independent of and severable from the remainder of this **AGREEMENT** and shall not affect the validity of the parts of this **AGREEMENT** not declared invalid or unconstitutional.

XI.

Any notice or other communication required or permitted to be given pursuant to this **AGREEMENT** shall be in writing and shall be directed to the applicable party as follows:

If directed to **CITY**:

The City of Center
PO Box 1744
617-Tenaha St.
Center, Texas 75935
936/598-2941
Attn: City Manager

If directed to **COMPANY**:

Tyson Farms QOZB, LLC
c/o Tyson Foods, Inc.
2200 Don Tyson Parkway
Attn: Tax Department, Jan Nash
Springdale, AR 72762479-290-1168

With a copy to:
Tyson Foods, Inc.
2200 Don Tyson Parkway
Attn: Law Department Mail Code CP004
Springdale, AR 72762

Each party shall have the right to change the place to which notice shall be sent or delivered by sending a similar note to the other party in like manner. Notices, demands, offers or other written instruments shall be deemed to have been duly given on the date a copy is actually received by the intended recipient.

ENTERED INTO EFFECTIVE the ____ day of _____, 2020.

TYSON FARMS QOZB, LLC
(COMPANY)

By:

TYSON FARMS, INC. (COMPANY)

By:

CITY OF CENTER

MAYOR City of Center, Texas

ATTEST:

Barbara Boyd, City Secretary

EXHIBIT A

BEING 25.549 acres of land, more or less, a part of the JESSE AMASON SURVEY, A-10, Shelby County, Texas, and being the land described in the part of the original 47.5 acre tract described in the deed from Timberland Properties #25 to Timberland Properties dated July 12, 2011, recorded under Instrument No. 2011005479, Official Public Records, Shelby County, Texas; and being described by metes and bounds as follows, to-wit:

Note that in the following description,

Bearings refer to Grid North of the Texas Coordinate System of 1983 (Central Zone 4203) as computed from GPS vectors; at the Point of Beginning, True Azimuth = Grid Azimuth + 3 deg. 10 min. 30 sec., and "1/2 inch iron rod set" denotes a 1-1/2 inch aluminum cap stamped "HOFFPAUIR RPLS 4492" affixed to a 1/2 inch iron rod.

BEGINNING at the Southeast corner of the called 35.68 acre tract and the Southeast corner of the called 47.5 acre tract, a point for corner from which a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for witness bears N. 12 deg. 23 min. 35 sec. E., 1.08 feet, said beginning corner being in the North boundary line of a called 8.026 acre tract conveyed by M & H Farming and Leasing, LLC to Earnie Mae Garner as described in Warranty Deed dated October 27, 2006, recorded in 1063/745 SCOPR (no Exhibit "A" was attached to this deed), said 8.026 acre tract being part of a called 34.98 acre tract conveyed by Y.D. Jackson and wife, Essrine Jackson to M & H Farming and Leasing, LLC as described in Warranty Deed dated June 25, 2001, recorded in 915/735 SCOPR, from said beginning corner a 1/2 inch iron rod found for corner in the West base of a forked 57 inch red oak and at the Northeast corner of the called 8.026 acre tract and the Northeast corner of the called 34.98 acre tract bears S. 73 deg. 40 min. 47 sec. E., 110.66 feet;

THENCE N. 73 deg. 40 min. 47 sec. W., with the South boundary line of the called 35.68 acre tract, the South boundary line of the called 47.5 acre tract, the North boundary line of the called 8.026 acre tract, and with the North boundary line of the called 34.98 acre tract, at 35 feet pass the centerline of dirt and asphalt pavement on County Road 2225 (Waterhouse Street), at 389.89 feet pass a 1/2 inch iron rod set for corner in an old down barbwire fence, from said iron rod at a 9 inch red oak, marked "X", bears S. 86 deg. W., 14.4 feet, said corner being the Northeast corner of a 1.534 acre tract surveyed this date for Tyson Foods, Inc., and continuing with the South boundary line of the called 35.68 acre tract, the South boundary line of the called 47.5 acre tract, the North boundary line of the called 8.026 acre tract, the North boundary line of the called 34.98 acre tract, and with the North boundary line of the 1.534 acre tract, in all, **N. 73 deg. 40 min. 47 sec. W., 468.98 feet** (called N. 70 deg. 30 min. W. in 202/607 SCDR) to a 1/2 inch iron rod found for corner up 0.4 feet in an old pine stump fence corner, said corner being the Northwest corner of the called 8.026 acre tract, the Northwest corner of the called 34.98 acre tract, the Northwest corner of the 1.534 acre tract, and also being the Northeast corner of a called 115 acre tract designated "First Tract" and conveyed by Phillip Durham to Donald Mark Walker and wife, Phyllis Sue Walker as described in General Warranty Deed dated August 8, 2006, recorded in 1077/82 SCOPR, from said iron rod a 1/2 inch iron rod found for witness up 0.5 feet and 2 feet West of a barbwire fence bears S. 32 deg. 52 min 13 sec. W., 2.98 feet;

THENCE N. 72 deg. 27 min. 45 sec. W., 758.42 feet (called N. 70 deg. 30 min. W. in 202/607 SCDR) with the South boundary line of the called 35.68 acre tract, the South boundary line called 47.5 acre tract, and with the North boundary line of the called 115 acre tract to a 1/2 inch iron rod with 1 inch plastic cap imprinted "RPLS 1476" found for corner in a barbwire fence, said corner being the Southwest corner of the called 35.68 acre tract and the Southeast corner of a called 6.5 acre tract conveyed by Phillip Jennings et al to Ada Echols and husband, Judge Echols as described in Deed dated September 6, 1929, recorded in 165/335 SCDR, from said iron rod a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" bears S. 10 deg. 47 min. 11 sec. W., 2.81 feet;

THENCE N. 10 deg. 47 min. 11 sec. E., 106.01 feet with the West boundary line of the called 35.68 acre tract and the East boundary line of the called 6.5 acre tract to a point for corner on the Southeast right-of-way of State Loop 500 (F.E. Parker Parkway) and at the Southernmost corner of a called 3.51 acre tract designated "Parcel No. 17" and conveyed by Charlie Mae Goodwin, et al to the State of Texas as described in Deed recorded in 609/920 SCDR, from said point for corner a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for witness bears S. 56 deg. 05 min. 47 sec. W., 0.58 feet, a 1/2 inch iron rod found for witness in the East boundary line of the called 6.5 acre tract at its intersection with the Northwest right-of-way of State Loop 500 bears N. 10 deg. 47 min. 11

sec. E., 329.07 feet, and a Texas Department of Transportation concrete right-of-way monument found for witness bears S. 56 deg. 16 min. 40 sec. W., 24.54 feet;

THENCE with the Southeast boundary line of the called 3.51 acre tract and the Southeast right-of-way of State Loop 500, as follows;

N. 56 deg. 16 min. 40 sec. E., 55.35 feet to a broken Texas Department of Transportation concrete right-of-way monument found for corner;

N. 41 deg. 36 min. 38 sec. E., 100.34 feet to a 1/2 inch iron rod 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner in a broken Texas Department of Transportation concrete right-of-way monument;

N. 30 deg. 21 min. 41 sec. E., 102.02 feet to a 1/2 inch iron rod 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner;

N. 41 deg. 38 min. 49 sec. E., 399.99 feet to a 1/2 inch iron rod 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner in a broken Texas Department of Transportation concrete right-of-way monument;

N. 52 deg. 59 min. 34 sec. E., 204.01 feet to a 1/2 inch iron rod 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner alongside a Texas Department of Transportation concrete right-of-way monument found intact but washed out of the ground;

N. 35 deg. 55 min. 43 sec. E., 201.24 feet to a point for corner in the southernmost North boundary line of the called 35.68 acre tract, the Southernmost North Boundary Line of the called 47.5 acre tract, at the easternmost corner of the called 3.51 acre tract, and at the Southwest corner of a called 1.442 acre tract conveyed by Chamber Center of Commerce to Ronnie Dickerson and wife, Nancy C. Dickerson as described in Warranty Deed dated December 10, 1984, recorded in 645/737 SCDR, from said point for corner a 1/2 inch iron rod found for witness on the North West right-of-way of State Loop 500 at the Northwest corner of the called 3.51 acre tract bears N. 75 deg. 30 min. 15 sec. W., 202.25 feet, a Texas Department of Transportation concrete right-of-way monument found for witness bears N. 35 deg. 55 min. 43 sec. E., 202.52 feet, and a 1/2 inch iron rod found for witness bears N. 75 deg. 30 min. 15 sec. W., 0.20 feet;

THENCE S. 75 deg. 30 min. 15 sec. E., 250.78 feet (called S. 74 deg. E. in 202/607 SCDR) 250.78 feet with the southernmost North boundary line of the called 35.68 acre tract, the southernmost North boundary line of the called 47.5 acre tract, and with the South boundary line for the called 1.442 acre tract to a 1/2 inch iron rod found for corner from which an 8 inch water oak, marked "X", bears N. 72 deg. 20 min. E., 7.8 feet, and an 8 inch water oak, marked "X", bears S. 17 deg. 01 min. E., 17.3 feet, said corner being a reentrant corner of the called 35.68 acre tract, a reentrant corner of the called 47.5 acre tract, and the Southwest corner of the called 1.442 acre tract;

THENCE N. 10 deg. 56 min. 38 sec. E., 79.98 feet (called N. 14 deg. E. in 202/607 SCDR) with the northernmost West boundary line of the called 35.68 acre tract, a West boundary line of the called 47.5 acre tract, and with the East boundary line of the called 1.442 acre tract to a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for corner on the West bank of a small ravine, from said iron rod

- a 13 inch red oak, found marked "X", bears S. 84 deg. 42 min. E., 13.5 feet,
- a 13 inch maple, marked "X", bears S. 84 deg. 42 min. E., 18.0 feet, and
- a 1/2 inch iron rod found for corner at the northernmost corner of the 1.442 acre tract on the Southeast right-of-way of State Loop 500 bears N. 10 deg. 56 min. 38 sec. E., 374.09 feet, said corner being the Southwest corner of a called 10 acre tract conveyed by Albert Crawford and wife, Mary Crawford to Ida Lee Jennings as described in Warranty Deed dated May 2, 1940, recorded in 596/116 SCDR;

THENCE S. 82 deg. 34 min. 36 sec. E., with the South boundary line of the called 10 acre tract, at 431.36 feet pass a 1/2 inch iron rod with 1 inch plastic cap imprinted "OPPERMAN SURVEYING CO RPLS 4168" found for witness and in all, S. 82 deg. 34 min. 36 sec., E. 451.92 feet to a point for corner in asphalt pavement on County Road 2225 (Waterhouse Street) in the East boundary line of the called 35.68 acre tract and in the East boundary line of the called 47.5 acre tract, from said point for corner a 1/2 inch iron rod with 1 inch plastic cap printed "OPPERMAN SURVEYING CO RPLS 4168" found for corner at the Northeast corner of the called 35.68 acre tract, the Northeast corner of the called 47.5 acre tract, and the Northeast corner of the called 10 acre tract bears N. 12 deg. 23 min. 35 sec. E., 909.88 feet;

THENCE S. 12 deg. 23 min. 35 sec. W., with the East boundary line of the called 35.68 acre tract and the East boundary line of the called 47.5 acre tract, at 1227.79 feet pass a 1/2 inch iron rod found for

witness and in all, S. 12 deg. 23 min. 35 sec. W., 1228.87 feet (called S. 15 deg. W. in 202/607 SCDR) to the point of BEGINNING, containing 25.549 acres of land, more or less.

Surveyed by Glenn Hoffpauir, Registered Professional Land Surveyor No. 4492, State of Texas on November 15, 2019.

RESOLUTION NO. 2020-12

A RESOLUTION OF THE CITY OF CENTER, TEXAS, APPROVING A REGISTERED SECURITIES BROKER/DEALER AND PROCEEDING WITH DIVERSIFYING ITS' INVESTMENT PORTFOLIO.

WHEREAS, the City of Center seeks to be good stewards of the funds the public have entrusted to the City; and,

WHEREAS, the City retains a certain portion of funds in reserve as part of the City's fund balance that can be used during unforeseen emergencies or economic downturns; and,

WHEREAS, the City has placed money as investments in local government investment pools which are safe and liquid. The recent interest rate reduction has rendered those investments to a point where the City will not receive adequate yield; and,

WHEREAS, the City's investment policy allows the City to diversify its' investment portfolio into other safe and liquid securities; and,

WHEREAS, per the City's investment policy, the City Council must approve registered broker dealers.

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

Section 1. That the City approves Robert Johnson from SAMCO as an approved securities broker/dealer.

Section 2. That the City prudently proceed with purchasing other securities per the City's investment policy.

PASSED AND APPROVED this the 13th day of April 2020.

David Chadwick, Mayor

ATTEST:

Barbara Boyd, City Secretary



617 Tenaha Street • P.O. Box 1744
Center, Texas 75935-1744

(936) 598-2941 • Fax (936) 598-2615
www.centertexas.org

Date: April 7, 2020
To: Center City Council Members
From: James P. Gibson, Asst. City Manager
Subject: Investments, Authorized Broker/Dealers and Safekeeping Accounts

In order to be good financial stewards of the City's funds, it has become apparent that the City needs to adjust its' investment strategy in light of the drop in interest rates. Any excess City funds are placed in the LOGIC investment pool. This account is very liquid and its yield is closely tied to the short term Fed interest rate. As part of the City's Investment Policy, I would like to use this opportunity to diversify the City's investments and begin purchasing securities pursuant to Section XI.B.1 found on page 165 in your budget book.

However, before we begin purchasing securities, according to Section V, the City Council must designate a list of authorized security broker/dealers. The City already has a relationship with SAMCO as the City's financial advisor when we issue debt. They have a person on staff who handles investments as a broker/dealer. The first part of the request is to designate him as an authorized broker/dealer.

Robert Phillips
SAMCO Capital Markets, Inc.

There may be other broker dealers brought to the Council as becomes necessary.

Next, according to Section VIII, the City is required to open a safekeeping and custody account where a third party will hold any securities the City purchases. Based on the limited number of institutions who perform this function, our recommendation is to use Frost Bank.

RESOLUTION NO. 2020-13

A RESOLUTION OF THE CITY OF CENTER, TEXAS, DESIGNATING FROST BANK AS ITS' SAFEKEEPING INSTITUTION.

WHEREAS, the City of Center seeks to be good stewards of the funds the public have entrusted to the City; and,

WHEREAS, the City's investment policy allows the City to diversify its' investment portfolio into other safe and liquid securities; and,

WHEREAS, per the City's investment policy, the City Council must designate a third party to serve as a safekeeping institution for any securities it purchases.

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

Section 1. That Frost Bank be and is hereby designated a depository of the City of Center for the safekeeping of securities.

Section 2. That the authorized individuals referenced in the investment policy are hereby authorized in the name and on behalf of the City of Center to enter into a Safekeeping/Custody Services Agreement with Frost Bank upon such terms and conditions as may be agreed upon to deposit securities with Frost Bank, to withdraw or otherwise deal with same, all pursuant to the provisions of said agreement.

PASSED AND APPROVED this the 13th day of April 2020.

David Chadwick, Mayor

ATTEST:

Barbara Boyd, City Secretary

SAFEKEEPING AGREEMENT
(INSTITUTIONAL -- NO FOREIGN SECURITIES)

THIS SAFEKEEPING AGREEMENT (this "Agreement") is entered into as of the ____ day of _____, _____, by and between **FROST BANK**, a state banking association organized and existing under the laws of the state of Texas (the "**Bank**") and _____, a _____ (the "**Depositor**"). The Bank and the Depositor agree that all securities and/or other property deposited with and accepted by Bank ("**Security**") shall be governed by the terms and conditions herein set forth, and agree to the following:

W I T N E S S E T H:

The Bank shall establish and maintain a custody account (the "**Account**") for and in the name of the Depositor and hold therein all securities deposited with or collected by the Bank in its capacity as custodian for the Account. The terms "**Security**" or "**Securities**" shall mean any negotiable or non-negotiable investment instrument(s) commonly known as a security or securities in banking custom or practice, and so long as held by the Bank, all income therefrom and all cash deposited by, or for the account of, the Depositor. The Bank agrees to open the Account and hold all Securities and other property, from time to time, deposited with or collected by the Bank for the Account, subject to the terms and conditions of this Agreement, as the same may be amended from time to time.

SECTION 1
ACCEPTANCE OF SECURITIES

(a) The Bank shall accept delivery from and on behalf of the Depositor such Securities as shall, from time to time, be acceptable to it. Any Securities now held by the Bank for the Depositor under a prior custody agreement shall be deemed to have been deposited hereunder. The Bank shall have no responsibility to (i) determine the validity, genuineness or alteration of the Securities or related instruments delivered pursuant to the terms hereof; (ii) review the Securities; or (iii) provide advice to the Depositor relative to the purchase, retention, sale, exchange, disposition, call for redemption of the Securities or related instruments. The parties acknowledge that the Bank is performing the services hereunder merely as an aid to the Depositor, and this does not relieve the Depositor of its duty to manage and keep itself informed of information affecting its own portfolio.

(b) The Bank shall supply to the Depositor from time to time as mutually agreed by the Bank and the Depositor a written statement with respect to all of the Securities held in the Account. In the event that the Depositor does not inform the Bank in writing of any exceptions or objections to such statement within sixty (60) days after receipt of such statement, the Depositor shall be deemed to have approved such statement.

(c) The Bank shall segregate and identify on its books and records as belonging to the Depositor all Securities delivered by or for the account of the Depositor which are held by the Bank in the Account.

(d) The Depositor authorizes the Bank, for any Securities held hereunder, to use the services of any United States central securities depository it deems appropriate and where it may hold any of its own securities, including, but not limited to, the Depository Trust Company and the Federal Reserve Book Entry System. The term "*central securities depository*" shall also include any depository service which acts as a custodian of securities in connection with a system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible

and may be transferred by bookkeeping entry without physical delivery of security certificates. Placement by the Bank of Securities into a central securities depository or safekeeping facility shall neither augment nor diminish the Bank's duties or obligations under any other paragraph of this Agreement, provided that the Bank shall have no liability for the acts or failure to act of any such central securities depository.

(e) The Bank is authorized to re-register the Securities in the name of the Bank or its nominee unless alternative and acceptable registration instructions are promptly furnished by the Depositor.

SECTION 2 COLLECTION OF INCOME

The Bank agrees to collect and receive the dividends, interest and other income from the Securities, as directed by the Depositor, and will credit the Depositor's designated deposit account for such items. Charges, if any, will be charged to the Depositor's deposit account under advice. The Bank will make commercially reasonable efforts to collect and receive such dividends, interest and other income from the Securities but assumes no liability for its inability to do so due to the acts or omissions of Depositor, any issuer of Securities or such issuer's paying agent, or any third party. The Bank shall not be obligated to institute or participate in any legal proceedings relative to any such acts or omissions. The Bank is hereby authorized to sign, on the Depositor's behalf, any declarations, affidavits, certificates of ownership, or other documents which are now or may hereafter be required with respect to coupons, registered interest, dividends or other income on Securities. **THE DEPOSITOR HEREBY AGREES TO REIMBURSE, INDEMNIFY, AND HOLD HARMLESS, THE BANK, ITS OFFICERS, DIRECTORS AND EMPLOYEES FROM ANY LIABILITY, CLAIM, LOSS, DAMAGE OR EXPENSE (INCLUDING ATTORNEYS' FEES AND COURT COSTS) THAT MAY ARISE BY REASON OF THE EXECUTION OF ANY SUCH DOCUMENTS BY THE BANK.**

SECTION 3 COLLECTION OF PRINCIPAL

The Bank is authorized to collect, receive and receipt for the principal of all Securities when and as the same may mature, be redeemed, or be sold upon the order of the Depositor. The proceeds of such collections, as well as any other principal payments received for any Securities, will be credited to the Depositor's designated deposit account. The Bank will use commercially reasonable efforts to collect the Securities and other property at maturity and at dates of call for payment, but assumes no responsibility for its inability to do so due to the acts or omissions of Depositor, any issuer of Securities or such issuer's paying agent, or any third party. The Bank shall not be obligated to institute or participate in any legal proceedings relative to any such acts or omissions. The Bank will not be liable for the insolvency, or default in the payment of principal or interest or in the performance, of the issuer of any Securities.

SECTION 4 WITHDRAWAL OF SECURITIES

The Securities will be released only upon the Bank's receipt of written instructions from the Depositor. In the event the Depositor is a corporation, limited liability company, or limited partnership, Securities will be released upon the instructions of such officer(s) as are authorized by an appropriate entity resolution ("**Authorized Representative**"), and the Depositor shall furnish the Bank on or before such withdrawal, certified copies of resolutions relating to or changing such authority. The Depositor expressly agrees that the Bank shall not be liable for any loss, damage, or liability resulting from the Bank's actions taken in accordance with instructions given to the Bank by an Authorized Representative. If the Depositor has delivered to the Bank Securities subject to a pledge, such Securities will be released only upon the receipt of (i) a written notice

by the Depositor or an Authorized Representative, if requested by Bank, (ii) a written release of the pledgee, and (iii) a certificate of the Depositor certifying that the signature of the pledgee is authorized and authentic.

SECTION 5 STANDARD OF CARE

The Bank shall exercise commercially reasonable care in receiving, holding and handling the Securities. The Bank will exercise the commercially reasonable care expected of a professional custodian for hire with respect to the Securities in its possession or control.

SECTION 6 DEPOSITOR DUTIES

(a) The Depositor shall provide the Bank with a written certificate signed by an Authorized Representative containing the specimen signatures of each person authorized to act and give direction on behalf of the Depositor. The Bank shall be entitled to rely upon such certificate until notified in writing otherwise by the Depositor.

(b) The Bank is further authorized to rely upon any written instructions or instructions received by any other means and identified as having been given or authorized by any person named to the Bank as authorized to give written instructions, regardless of whether such instructions shall in fact have been authorized or given by any of such persons, provided that the Bank and the Depositor shall have agreed in writing upon the means of transmission and the method of identification for such instructions. Instructions received by any other means shall include verbal instructions, provided that any verbal instruction shall be promptly confirmed in writing. In the event verbal instructions are not subsequently confirmed in writing, as provided above, the Depositor agrees to hold the Bank harmless and without liability for any claims or losses in connection with such verbal instructions. Notwithstanding the above, instructions for the withdrawal of securities "*free of payment*" shall be given only in writing, manually signed by any such authorized persons.

(c) The Depositor may appoint one or more investment managers ("**Investment Managers**") with respect to the Account. The Bank is authorized to act upon instructions received from any Investment Manager to the same extent that the Bank would act upon the instructions of the Depositor, provided that the Bank has received copies of the instruments appointing the Investment Manager and written confirmation from the Investment Manager evidencing its acceptance of such appointment, or other evidence satisfactory to the Bank.

(d) If the Depositor should choose to have telecommunication or other means of direct access to the Bank's reporting system for Securities in the Account pursuant to paragraph (e) of Section 7, the Bank is also authorized to rely and act upon any instructions received by it through a terminal device, provided that such instructions are accompanied by code words which the Bank has furnished to the Depositor by any method mutually agreed to by the Bank and the Depositor, and which the Bank shall not have then been notified by the Depositor to cease to recognize regardless whether such instructions shall in fact have been given or authorized by the Depositor or any such person. The Depositor's delegates shall be named by a certificate provided to the Bank from time to time by the Depositor.

(e) In the event that the Bank shall receive conflicting instructions from Depositor regarding any particular transaction, the Bank shall make reasonable efforts to resolve such conflict; provided, however, the Bank may rely upon the instruction first received by the Bank and the Bank is hereby held harmless from all consequences of such reliance.

SECTION 7

BANK DUTIES

(a) The Bank shall receive or deliver, or shall instruct any other entity authorized to hold Securities hereunder to receive or deliver, Securities and credit or debit the Account, in accordance with written instructions from the Depositor. The Bank or such entity shall also receive in custody all stock dividends, rights and similar securities issued in connection with Securities held hereunder, shall surrender for payment, in a timely manner, all items maturing or called for redemption and shall take such other action as the Depositor may direct in properly authorized and timely written instructions to the Bank.

(b) All cash received or held by the Bank as custodian or by any entity authorized to hold the Securities hereunder as interest, dividends, proceeds from transfer, and other payments for or with respect to the Securities shall be (i) held in a cash account, or (ii) in accordance with written instructions received by the Bank, remitted to the Depositor.

(c) If the Bank has in place a system for providing telecommunication or other electronic access or other means of direct access by customers to the Bank's reporting system for Securities in the Account, then upon separate written agreement between the Bank and the Depositor, the Bank shall provide such service to the Depositor.

(d) During the Bank's regular banking hours and upon receipt of reasonable notice from the Depositor, any officer or employee of the Depositor, any independent accountant(s) selected by the Depositor and any person designated by any regulatory authority having jurisdiction over the Depositor shall be entitled to examine on the Bank's premises, the Securities held by the Bank on its premises, but only upon the Depositor's furnishing the Bank with properly authorized instructions to that effect, provided, such examination shall be consistent with the Bank's obligations of confidentiality to other parties. The Bank's reasonable costs and expenses in facilitating such examinations, including but not limited to the cost to the Bank of providing personnel in connection with examinations shall be borne by the Depositor, according to the research fee set forth in the fee schedule attached as Exhibit A. The Bank shall also, subject to restrictions under applicable law, seek to obtain from any entity with which the Bank maintains the physical possession of any of the Securities in the Account such records of such entity relating to the Account as may be required by the Depositor or its agents in connection with an internal examination by the Depositor of its own affairs. Upon a reasonable request from the Depositor, the Bank shall use its reasonable efforts to furnish to the Depositor such reports (or portions thereof) of the external auditors of each such entity as related directly to such entity's system of internal accounting controls applicable to its duties under its agreement with the Bank.

(e) The Bank will transmit to the Depositor upon receipt, all financial reports, stockholder communications, notices, proxies and proxy soliciting materials received from issuers of the Securities, and all information relating to exchange or tender offers received from offerors with respect to the Securities. Proxies will be executed by the registered holder if the registered holder is other than the Depositor, but the manner in which the Securities are to be voted will not be indicated. Specific instructions regarding proxies will be provided when necessary. The Bank shall not vote any of the Securities or authorize the voting of any Securities or give any consent or take any other action with respect hereto, except as provided herein. The Bank is authorized to accept and open in the Depositor's behalf all mail or communications received by it or directed to its care.

(f) In the event of tender offers, the Depositor shall mail or fax instructions to the Bank as to the action to be taken with respect thereto or telephone such instructions to the Depositor's account administrator at the Bank, designating such instruction as being related to a tender offer. The Depositor shall deliver to the Bank, by 4:00 p.m., San Antonio, Texas time on the following calendar day, written confirmation. The Depositor shall hold the Bank harmless from any adverse consequences of the Depositor's use of any other method of transmitting instructions relating to a tender offer. The Depositor agrees that if it gives an instruction for the performance of an act on the past permissible date of a period

established by the tender offer or for the performance of such act or that it fails to provide next day written confirmation of an oral instruction, the Depositor shall hold the Bank harmless from any adverse consequences of failing to follow said instructions.

(g) The Bank shall not be liable for late submission of any items or information in response to calls for redemption, mergers, tenders, consolidations, reorganizations, recapitalizations, or similar proceedings affecting the Securities when the Depositor has failed to timely instruct the Bank in writing. Should any Security held in a central securities depository be called for a partial redemption by the issuer of such Security, the Bank is authorized, in its sole discretion, to allot the called portion to the respective holders in any manner it deems fair and equitable.

(h) The Bank shall present all maturing bonds and coupons for collection and is authorized to receive payment of income and principal on other items in accordance with their terms. All funds so collected shall be credited to the Account or remitted in accordance with the instructions of the Depositor.

(i) The Bank shall not be liable in damages for any loss or damage beyond its reasonable control, including, but not limited to acts of God, war or terrorist act, fire, storm, or other catastrophe, interruption of transmission or communication facilities, equipment failure, or electrical or computer failure.

SECTION 8 FOREIGN SECURITIES

The Bank shall not hold Securities which are issued by foreign governments or foreign companies or for which the principal trading market is located outside the United States hereunder. Should the Bank elect to hold such securities, such activities shall be governed by a separate agreement between the bank and the Depositor.

SECTION 9 FEES AND EXPENSES

(a) The Depositor agrees to promptly pay upon receipt of an invoice from the Bank the fees and expenses set forth therein. Fees and expenses for the services to be rendered under this Agreement are set forth in Exhibit A attached hereto and incorporated herein for all purposes, as such may be amended from time to time, effective upon 30 days' prior written notice by the Bank to the Depositor. In addition, if the Bank advances securities to the Depositor for any purpose or in the event that the Bank or its nominee shall incur or be assessed any taxes, charges, expenses, assessments, claims or liabilities in connection with the performance of its duties hereunder, except such as may arise from or be caused by the Bank's or its nominee's gross negligence or willful misconduct, Depositor shall immediately reimburse the Bank, or its nominee, for such advances, taxes, charges, expenses, assessments, claims or liabilities, or replace such securities.

(b) The Bank may, in its sole discretion, advance funds on behalf of the Depositor which results in an overdraft if the monies held in the Account are insufficient to pay the total amount payable upon purchase of Securities as instructed. Any such overdrafts shall be deemed to be a loan made by the Bank to the Depositor payable promptly upon demand and bearing interest at Frost Bank's prime rate plus two percent per annum from the date incurred. Notwithstanding anything contained in this Agreement to the contrary, the Bank shall have no obligation to advance funds on behalf of the Depositor.

(c) The Bank shall have a lien on the Securities in the Account to secure payment of such fees and expenses, taxes, advances and other charges incurred under this Section 9. The Depositor agrees

that the Bank's lien shall be a continuing lien and security interest in and on any Securities at any time held by or through it in accordance with this Agreement, for the benefit of the Depositor or in which the Depositor may have an interest which is then in the Bank's possession or control or in possession or control of any third party acting on the Bank's behalf. Upon failure by the Depositor to cure any overdraft amounts, or to reimburse the Bank for fees and expenses, taxes, advances and other charges, within 48 hours after the request for payment, the Bank may dispose of securities to the extent necessary to obtain reimbursement. The parties agree that upon Depositor's receipt of such request for payment, the Depositor shall not transfer or dispose of any securities except as agreed to by the parties until appropriate reimbursement is made. The Bank shall have all of the rights and remedies of a secured creditor under the Uniform Commercial Code as in effect in State of Texas from time to time with respect to the Securities.

- (d) The Bank is hereby authorized to charge the Depositor's deposit account number _____ for all fees and charges incurred or assessed hereunder.

SECTION 10 INVESTMENT RESPONSIBILITY

Unless otherwise agreed in writing by the Depositor and the Bank, the Bank is under no duty to (i) advise the Depositor relative to the investment, purchase, retention, sale, or other disposition of any Securities held hereunder; (ii) supervise the Depositor's investments, purchases or sales; (iii) invest, or see to the investment of, any cash proceeds or other cash deposited hereunder and held by the Bank; or (iv) determine whether any investment or sale made for the account of Depositor is made in conformity with Depositor's requirements or understandings. The Bank's duties hereunder are strictly ministerial in nature and are limited to those duties expressly set forth in this Agreement. Nothing in this Agreement shall be construed to impose fiduciary responsibilities on the Bank.

SECTION 11 LIMITATION OF LIABILITY

The Bank undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, it being expressly understood that there are no implied duties hereunder. In addition to other provisions of this Agreement, the Depositor agrees that the Bank (a) will be responsible only for the exercise of reasonable commercial standards of the banking business; (b) will not be liable for any loss or damage to the Securities when such loss or damage is due to any cause other than failure to exercise reasonable commercial standards, and in any event will not be liable for any decline in the market value of the Securities; (c) will not be considered an insurer against risk of loss, damage, destruction or decline in market value of the Securities; and (d) will not have liability to the Depositor with respect to the services rendered by the Bank pursuant to this Agreement until such time as the Securities are actually delivered to the Bank, it being understood and agreed that the Depositor bears the risk of loss with respect to shipment and delivery of the Securities to Bank. **IN NO EVENT SHALL THE BANK BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER OTHER THAN DAMAGES WHICH RESULT FROM BANK'S FAILURE TO ACT IN GOOD FAITH OR IN ACCORDANCE WITH THE REASONABLE COMMERCIAL STANDARDS OF THE BANKING BUSINESS OR (II) SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

In addition to any and all rights of reimbursement, indemnification, subrogation, or any other rights pursuant hereto or under law or equity, the Depositor hereby agrees, to the extent permitted by Texas law, to indemnify and hold harmless the Bank and its officers, directors, and agents (the "**indemnified parties**") from and against any and all claims, damages, losses, liabilities, reasonable costs, or reasonable expenses whatsoever (including attorneys' fees and court costs) which they may incur (or which may be claimed against them by any person or entity whatsoever) by reason of or in connection with

(a) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the information supplied by the Depositor to the Bank or its nominee in connection with the performance of their duties under this Agreement or the related documents, or the omission or alleged omission to state in such information a material fact necessary to make such statements, in the light of circumstances under which they are or were made, not misleading; or (b) the execution and delivery of this Agreement. If any proceeding shall be brought or threatened against any indemnified party by reason of or in connection with the events described in clause (a) or (b), such indemnified party shall promptly notify the Depositor in writing and the Depositor shall assume the defense thereof, including the employment of counsel satisfactory to such indemnified party and the payment of all costs of litigation. Notwithstanding the preceding sentence, such indemnified party shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of such counsel shall have been authorized in writing by the Depositor or (ii) the Depositor, after due notice of the action, shall not have employed counsel to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such indemnified party shall be borne by the Depositor. The Depositor shall not be liable for any settlement of any such action effected without its consent. Nothing under this section is intended to limit the Depositor's payment obligations contained elsewhere in this Agreement. This section shall survive the termination of this Agreement.

SECTION 12 BANK POWER OF ATTORNEY

In addition to other rights granted to the Bank pursuant to the terms of this Agreement, the Bank is authorized and empowered in the name of and on behalf of the Depositor to execute any certificates of ownership or other instruments which are or may hereafter be required by any regulations of the United States or any state or political subdivision thereof, so that the Bank may fulfill its obligations hereunder as required in connection with any Securities.

SECTION 13 AMENDMENTS

Except as otherwise provided hereby, the parties may make amendments to this Agreement from time to time, provided that any such amendment shall be reduced to writing; *provided, however*, the Bank may, at any time, in its sole discretion amend any of the provisions of this Agreement upon thirty (30) days' prior written notice to the Depositor.

SECTION 14 SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

SECTION 15 COMPLETENESS OF AGREEMENT

This Agreement, along with a copy of the fee schedule attached hereto as **Exhibit A**, constitutes the full and complete agreement between the Bank and the Depositor, and no other understanding or agreement, whether written or oral shall bind either of the parties hereto. The headings of Sections of this Agreement are for convenience only and have no effect on a party's responsibilities or liabilities.

SECTION 16
GOVERNING LAW

This Agreement shall be governed by the applicable laws of the State of Texas without giving effect to the choice of law principals thereof. This agreement is performable in Bexar County, Texas and venue for all purposes incident to this agreement shall be in Bexar County, Texas. **THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES AND CLAIMS BY, BETWEEN OR AGAINST EITHER THE DEPOSITOR OR THE BANK.**

.....

SECTION 17 TERMINATION

This Agreement may be terminated by either the Depositor or the Bank upon at least ten (10) days prior written notice to the other. However, upon request of Depositor, the Bank shall continue to operate as the holder of securities for the Depositor under the terms and conditions of this Agreement for a period of up to sixty (60) days while the Depositor engages another safekeeping entity. The Depositor shall have a period of thirty (30) days from the date of the last and final accounting provided by the Bank to make any objection or claim, and failure to do so within the thirty (30) day period shall be deemed by the parties hereto to constitute accord and satisfaction. As soon as practicable following termination of this Agreement, the Bank shall deliver all Securities to the Depositor in accordance with the Depositor's written instructions.

SECTION 18 NOTICES

Any notice to be given or to be served upon any party hereto in connection with this Agreement must be in writing and shall be deemed to have been given when personally delivered, when sent by facsimile with receipt confirmed, when delivered by a nationally recognized courier service, or three business days after deposited in the United States mail, first class postage prepaid, return receipt requested. Such notices shall be given to the parties hereto at the following addresses:

If to the Bank:

Frost Bank
P.O. Box 1600
San Antonio, Texas 78296
Attention: Custody Services Department
Facsimile No.: (210) 220 - 5986

If to the Depositor:

Attention: _____
Facsimile No.: _____

Any notices served by fax shall be deemed to have been given and received only when written confirmation of the receipt of such fax has been received by the sender. Any party hereto may, at any time by giving fifteen (15) days' written notice to the other party hereto, designate any other address in substitution of the foregoing address to which such notice shall be given.

SECTION 19 MISCELLANEOUS

(a) This Agreement may be executed in any number of counterparts; each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

(b) Whenever the context hereof shall so require the singular shall include the plural, the male gender shall include the female gender and the neuter, and vice versa.

(c) In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

[(d) The Addendum to Safekeeping Agreement attached hereto is incorporated herein and made a part hereof for all purposes.]

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

BANK:
FROST BANK

DEPOSITOR:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A
TO
SAFEKEEPING AGREEMENT
Safekeeping Fees

	Effective June 30, 2018	
Account Maintenance	10.00	per Month per Account
Capital Markets Online	40.00	per Month all services no charge for basic service
Per Item Charges		
Fixed Income Book Entry per receipt	0.60	
Equity Book Entry per receipt	1.50	
Physical per receipt	2.00	
Book Entry per \$10,000 of Par at Month End	0.020	per Month
Physical per \$10,000 of Par at Month End	0.10	per Month
Receipt Fees		
Security Receipt and Clearance Fees	On-Frost Transactions	Not On-Frost Transactions
FRB non-ABS/MBS	-	20.00
FRB ABS/MBS	-	25.00
Non-FRB non-ABS/MBS	-	30.00
Non-FRB ABS/MBS	-	35.00
Physical Items	-	75.00
Late Delivery Instructions	-	25.00
Change Delivery Instructions	-	25.00
Transactional Fees		
Interest Payment - credit to acct	1.00	
Principal Payment - credit to acct	8.00	
Called Bond Redemptions - credit to acct	10.00	
Maturities - credit to acct	10.00	
Wire Fee	25.00	
Pledging		
Pledge	6.00	
Release	6.00	
Substitution	12.00	
Registrations and Re-Registrations	35.00	
Physical examination of Securities	25.00	Per Hour
Reorganizations - Tenders and Exchanges	35.00	
Treasury Auctions	50.00	
Account Verification Statements (free quarterly)	2.50	
Account Research	25.00	Per Hour
Indirect Inquiries for Lost or Stolen Securities:		
Semi-Annual Charge	25.00	
Inquiry	3.00	
Over the Counter Collections		
Coupons	20.00	per envelope
Bonds	20.00	per corpus + postage, insurance
Proxies/Annual Statements	3.00	
Special Handling Charge (manual intervention)	20.00	additional per transaction



Settlement & Processing Guide

Capital Markets

Effective January 1, 2016

SETTLEMENT		NOTIFICATION DEADLINES	
CASH (Trade day same as settle day), T +1 (Settle day one day after Trade day) Or FREE OF PAYMENT		Instructions must be received no later than <u>11:00 AM on settlement date</u> . Signed trade confirmation or other instructions can be faxed to 210-220-5986 or send a signed pdf of the broker confirm to custodyservices@frostbank.com . Please include account number/name, the Broker's company, and DTC # if applicable. Instructions can also be provided on Safekeeping Online.	
ALL OTHER TRADES (T + 2 OR GREATER)		Instructions must be received no later than <u>11:00 AM on settlement date</u> . Signed trade confirmation or other instructions can be faxed to 210-220-5986 or send a signed pdf of the broker confirm to custodyservices@frostbank.com . Please include account number/name, the Broker's company, and DTC # if applicable. Instructions can also be provided on Safekeeping Online.	
<ul style="list-style-type: none">TRADE INSTRUCTIONS RECEIVED PAST THE NOTIFICATION DEADLINE WILL BE ASSESSED A \$25 CHARGE AND PROCESSED ON A "BEST EFFORTS" BASIS.TRADE INSTRUCTIONS MODIFIED FROM ORIGINAL INSTRUCTIONS OR CANCELLED WILL BE ASSESSED A \$25 CHARGE.SALES OF PLEDGED SECURITIES WITH PLEDGE RELEASE RECEIVED AFTER 11:00 ON SETTLEMENT DAY WILL BE CONSIDERED A LATE TRADE AND BE ASSESSED A \$25 CHARGE AND PROCESSED ON A "BEST EFFORTS" BASIS.			
CATEGORY	FROST DELIVERY INSTRUCTIONS	SECURITY TYPES	
FED ELIGIBLE SECURITIES	ABA: 114000093 FROST SA/1020 FAO: NAME/SAFEKEEPING ACCT #	Government Treasury & Agency Issues	
DTC ELIGIBLE SECURITIES	DTC #901 AGENT ID #80901 INSTITUTION ID #26056 REF: FROST BANK #096285 **MUST BE INCLUDED FAO: NAME/SAFEKEEPING ACCT #	Municipals Corporate Debt Commercial Paper Equities CDs	
PHYSICAL DELIVERY	PLEASE CALL FROST BANK SAFEKEEPING TO DISCUSS SETTLEMENT: 210-220-4138 or 210-220-4769		
Other Instructions			
MUTUAL FUNDS	Call your Frost salesperson no later than <u>3:00 PM</u> or <u>4:00 PM</u> depending on the fund.		
REPURCHASE AGREEMENTS	Call your Frost salesperson no later than <u>1:00 PM</u> to initiate repurchase agreements. Call your Frost salesperson no later than <u>10:00 AM</u> to request changes to TFN repurchase agreements.		
PLEDGES/RELEASES	Can be sent by FAX to 210-220-5986, emailed to custodysevice@frostbank.com , or entered on Safekeeping Online. Send copy of pledge instructions or signed releases no later than <u>3:00 PM</u> . - OR - Send copy of signed pledgee release no later than 11:00 AM on settlement date for securities being withdrawn from safekeeping free of payment or sold.		
FED WIRE CASH	ABA 114000093 FROST BANK ACCT: ** please verify wire instructions with your Relationship Manager**		
TAX ID	74-0635455		
Definitions			
T	TRADE DATE	DATE THAT BUY/SELL IS ENTERED INTO WITH THE BROKER	
S	SETTLEMENT DATE	DATE THAT SECURITY IS DELIVERED INTO OR OUT OF YOUR SAFEKEEPING ACCOUNT AND PAYMENT IS MADE	

Frost BankPlease Check One: ☐ New Card☐ Addition to Card Currently on File**Safekeeping Signature Card**☐ Replacement of Card Currently on FileCity of Center
Customer Name

Capital Markets Account Number

PO Box 1744

Center

TX

75935

Address

City

State

ZIP

Name (Please Print)	Title	Specimen Signature
The following person(s) may effect safekeeping transactions:		
Chad Nehring	City Manager	
Jim Gibson	Asst. City Manager/ Finance Director	

Important - Please Complete the Certification

To: Frost Bank ("Bank")

I certify that I am the duly elected, qualified acting secretary of the City of Center and that the above-named individuals are duly authorized by the City Council of the City of Center pursuant to applicable resolutions of said Council and may be recognized by the Bank for effecting safekeeping transactions only. I further certify that the specimen signatures are the genuine signatures of the persons named above. Unless specifically revoke in writing, previously submitted signature cards shall remain in effect.

Signature

Date

Frost BankPlease Check One: ☐ New Card☐ Addition to Card Currently on File**Collateral Signature Card**☐ Replacement of Card Currently on File

Customer Name

Capital Markets Account Number

Address

City

State

ZIP

Name (Please Print)	Title	Specimen Signature
The following person(s) may authorize SECURITIES Assignments and Releases:		

Important - Please Complete the Certification

To: Frost Bank ("Bank")

I certify that I am the duly elected, qualified acting secretary of _____ and that the above-named individuals are duly authorized by the Board of _____ pursuant to applicable resolutions of said Board and may be recognized by the Bank for authorizing securities assignments and releases. I further certify that the specimen signatures are the genuine signatures of the persons named above. Unless specifically revoke in writing, previously submitted signature cards shall remain in effect.

Signature

Date

ITEMS OF INTEREST

1. Shelby County Grill Fest Letter of Cancellation.
2. Public Utility Commission 2020 Consumer Price Index.
3. Sales Tax Analysis-March/April 2020.
4. Cash & Investments Report – 2nd Quarter 2020.
5. Financial Dashboard – February/March 2020



SHELBY COUNTY
CHAMBER OF COMMERCE



Shelby County Grill Fest
Presented by
Farmers State Bank

March 18, 2020

City of Center
Chad Nehring
P.O. Box 1744
Center, Texas 75935

Dear Chad,

With the current situation today, and into the foreseeable future, we are postponing Grill Fest which was originally scheduled for April 4th. Grill Fest is now tentatively scheduled for June 5 & 6 at the Rodeo Arena. It is a top priority of the Chamber of Commerce, as it is of our members and event sponsors, to be prudent and make sure our community stays safe and healthy.

Thank you for your continued support and patience at this time. We will be in touch at a later time.

Sincerely,

Shelby County Chamber of Commerce
Grill Fest Committee



Public Utility Commission of Texas

1701 N. Congress Ave., PO Box 13326, Austin, TX 78711-3326

2020 CONSUMER PRICE INDEX (CPI) ADJUSTMENT TO MUNICIPAL TELECOMMUNICATIONS RIGHT-OF-WAY ACCESS LINE RATES

March 9, 2020

PURPOSE

This letter is to notify you that your city's 2020 maximum access line rates have increased by 0.7267% due to inflation, as measured by the CPI. This adjustment has been made pursuant to Chapter 283 of the Local Government Code (House Bill 1777).

DEFAULT RATES FOR 2020: INCREASE

Based on the choices made by your city in April 2019, your city's 2020 rate will either be adjusted for inflation, or will remain the same as your 2019 rate. According to our records, when similar CPI adjustments were made in April 2019, your city chose the MAXIMUM allowable CPI-adjusted rates. Therefore, your 2020 rates will reflect an increase of 0.7267% from your 2019 rates. You have the option to decline this increase in rates by taking the action explained below.

ACTION BY CITY: TO REFUSE THE INCREASE

(1) You do not have to respond to accept the increased access line rates. (2) Respond ONLY if you want to DECLINE the increase in access line rates. (3) To decline, notify the PUC using page 2 of this letter no later than April 30, 2020. (4) The PUC does not require City council authorization; however, if your city charter requires it, please do so immediately. (5) Verify your contact information and highlight any changes. (6) Make a copy of this document.

WHAT HAPPENS IF A CITY DOES NOT RESPOND BY APRIL 30, 2020?

If a city does not respond by April 30, 2020, the rates for your city will increase from 2019 levels to the newly established 2020 levels. The next opportunity to adjust your rates will be September 1, 2020.

WHAT HAPPENS NEXT?

The PUC will notify telephone companies of your desired rates and you will be compensated accordingly no later than July 1, 2020.

FUTURE REVISIONS TO CPI

The access line rates will be revised annually in March depending on whether the CPI changes for the previous year. If the CPI changes for the year 2020, you will receive a similar letter in March 2021.

See over...

City of Center

SECTION 1: Your 2019 city preferred rates are as follows:

Residential: \$1.81 Non-Residential: \$4.16 Point-to-Point: \$6.27

SECTION 2: Your default rates for 2020 are as follows. Note: These are higher than the 2019 rates (above) due to the CPI inflation adjustment.

Residential: \$1.83 Non-Residential: \$4.20 Point-to-Point: \$6.32

To decline your default increase in rates, notify the PUC by completing the section below. You can mail or fax this page to the PUC. To accept rates in SECTION 2, no action is required.

I _____, Title _____, am an authorized representative for the City/Town/Village of _____. The City declines to accept the default rates indicated in SECTION 2 above. Instead, we choose the following rates:
Residential _____; Non-Residential _____; Point-to-Point _____.

Date: _____ Signature: _____

Other Comments:

HOW TO RESPOND

Mail: Stephen Mendoza
Public Utility Commission
P.O. Box 13326
Austin, Texas 78711-3326

INQUIRIES

Inquiries only. NOT for sending your response.
HB1777@puc.texas.gov
Phone No: 512-936-7394

Or FAX to Stephen Mendoza at: 512-936-7428

CITY CONTACT INFORMATION

Please notify us if the contact information we have on file for your city has changed. Thank you.

Phone No. 1: (936) 598-2941

Phone No. 2: (936) 598-2942

Fax No: (936) 598-2615

Email: jgibson@centertexas.org

Address

JAMES GIBSON FINANCE DIRECTOR
or current city official responsible for right-of-way issues
CITY OF CENTER
PO BOX 1744
CENTER TX 75935

City of Center
Sales Tax Analysis
Historical Total Sales Tax Receipts by Month

APRIL 2020

Month	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Monthly Percentage	FY 2020	Percent Change
October	245,967	244,899	228,115	231,497	238,942	248,034	254,722	8%	256,123	0.55%
November	302,511	259,984	276,664	294,255	293,524	285,077	311,900	9%	307,130	-1.53%
December	206,335	232,741	226,007	236,836	229,978	235,009	251,078	7%	265,731	5.84%
January	246,183	241,181	231,378	231,546	246,897	245,441	249,205	8%	263,948	5.92%
February	331,108	349,611	336,519	314,037	332,583	326,532	356,361	11%	359,269	0.82%
March	206,065	201,810	208,247	212,208	207,108	223,858	241,773	7%	268,189	10.93%
April	249,697	210,844	210,221	227,687	222,669	231,114	237,467	7%	243,893	2.71%
May	293,299	285,819	279,420	326,257	291,837	332,039	327,605	10%		-100.00%
June	216,356	222,767	230,377	224,919	226,133	236,845	279,228	8%		-100.00%
July	224,280	231,096	224,098	236,589	242,449	263,496	262,589	8%		-100.00%
August	272,497	266,114	299,026	292,434	294,075	317,658	318,992	10%		-100.00%
September	228,343	231,038	237,446	241,060	229,515	254,085	262,407	8%		-100.00%
	3,022,640	2,977,904	2,987,519	3,069,326	3,055,709	3,199,187	3,353,326		1,964,284	

Monthly Allocation 243,893.09

City of Center	1%	121,946.55
4B Economic Development Corporation	0.50%	60,973.27
4A Economic Development Corporation	0.25%	30,486.64
Sales Tax for Property Tax Relief	0.25%	30,486.64
		243,893.09

YTD Change 1,902,506 3.2%

City of Center
Sales Tax Analysis
Historical Total Sales Tax Receipts by Month

MARCH 2020

Month	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Monthly Percentage	FY 2020	Percent Change
October	245,967	244,899	228,115	231,497	238,942	248,034	254,722	8%	256,123	0.55%
November	302,511	259,984	276,664	294,255	293,524	285,077	311,900	9%	307,130	-1.53%
December	206,335	232,741	226,007	236,836	229,978	235,009	251,078	7%	265,731	5.84%
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February	331,108	349,611	336,519	314,037	332,583	326,532	356,361	11%	359,269	0.82%
March	206,065	201,810	208,247	212,208	207,108	223,858	241,773	7%	268,189	10.93%
April	249,697	210,844	210,221	227,687	222,669	231,114	237,467	7%		-100.00%
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June	216,356	222,767	230,377	224,919	226,133	236,845	279,228	8%		-100.00%
July	224,280	231,096	224,098	236,589	242,449	263,496	262,589	8%		-100.00%
August	272,497	266,114	299,026	292,434	294,075	317,658	318,992	10%		-100.00%
September	228,343	231,038	237,446	241,060	229,515	254,085	262,407	8%		-100.00%
	3,022,640	2,977,904	2,987,519	3,069,326	3,055,709	3,199,187	3,353,326		1,720,391	

Monthly Allocation

268,189.44

City of Center	1%	134,094.72
4B Economic Development Corporation	0.50%	67,047.36
4A Economic Development Corporation	0.25%	33,523.68
Sales Tax for Property Tax Relief	0.25%	33,523.68
		268,189.44

YTD Change 1,665,038 3.3%

CITY OF CENTER
SECOND QUARTER CASH AND INVESTMENT REPORT
FY 2020



COVER PAGE

	October 1, 2019	January 1, 2020	March 31, 2020	Difference - Quarter	Difference Year
TOTAL CITY CASH AND INVESTMENTS	4,670,331	10,947,770	10,495,435	(452,335)	5,825,104
OTHER ENTITIES	2,973,452	3,185,894	3,582,143	396,249	608,692
TOTAL	7,643,783	14,133,664	14,077,578	(56,086)	6,433,795

Submitted:

Date:

Jim G. G. S.
4-6-2020

CITY OF CENTER
SECOND QUARTER CASH AND INVESTMENT REPORT
FY 2020



INVESTMENTS BY FUND

	October 1, 2019	January 1, 2020	March 31, 2020	Difference - Quarter	Difference Year
GENERAL FUND					
Pooled Cash - General Fund	154,140	115,428	73,202	(42,226)	(80,938)
LOGIC - General Fund	1,302,783	1,441,878	1,940,793	498,915	638,010
Total	1,456,923	1,557,307	2,013,995	456,688	557,072
UTILITY FUND					
Pooled Cash - Utility Fund	(127,092)	3,160	42,526	39,366	169,618
LOGIC - Water Fund	1,148,440	1,004,579	753,899	(250,680)	(394,541)
LOGIC - Water Refund	131,852	135,590	136,362	772	4,510
Total	1,153,200	1,143,329	932,787	(210,542)	(220,413)
SOLID WASTE FUND					
Pooled Cash - Solid Waste Fund	42,602	58,867	13,571	(45,296)	(29,031)
LOGIC - Solid Waste	142,001	238,122	259,489	21,367	117,488
Total	184,603	296,989	273,060	(23,929)	88,457
DEBT FUND					
Pooled Cash - Debt Fund	(11,546)	-	-	-	11,546
LOGIC - Debt Fund	108,200	265,938	474,529	208,591	366,329
Total	96,654	265,938	474,529	208,591	377,875
TRUST FUND					
Cash - HOT	11,564	8,096	15,930	7,834	4,366
LOGIC - HOT	232,906	397,097	323,041	(74,056)	90,135
Subtotal - Hotel Occupancy	244,471	405,192	338,971	(66,221)	94,500
LOGIC - Cemetery	122,983	123,472	124,175	703	1,192
Subtotal - Cemetery	122,983	123,472	124,175	703	1,192
MUNICIPAL COURT SPECIAL FUNDS					
LOGIC - Municipal Court Tech	6,299	10,460	11,567	1,107	5,268
LOGIC - Building Security	8,134	11,352	12,299	947	4,165
LOGIC - Forfeiture	29,019	9,077	7,590	(1,487)	(21,429)
Total	43,452	30,888	31,456	568	(11,996)
CAPITAL IMPROVEMENT FUND					
Cash - CIP	99	1,000	980	(20)	881
LOGIC - Capital Improvements	44,755	4,119,707	3,594,773	(524,934)	3,550,018
Total	44,854	4,120,707	3,595,753	(524,954)	3,550,899
UTILITY CAPITAL IMPROVEMENT FUND					
Cash - Utility CIP	1,000	(27,265)	1,000	28,265	-
LOGIC - TWDB SS Project	609,887	2,398,331	2,187,916	(210,415)	1,578,029
Total	610,887	2,371,066	2,188,916	(182,150)	1,578,029
VEHICLE REPLACEMENT FUND					
LOGIC - Replacement Fund	154,649	110,848	49,099	(61,749)	(105,550)
TECHNOLOGY FUND					
Cash - Technology Fund	7,556	(18,994)	1,659	20,653	(5,897)
LOGIC - Technology Fund	83,183	132,041	139,756	7,715	56,573
Total	90,739	113,047	141,415	28,368	50,676

CITY OF CENTER
SECOND QUARTER CASH AND INVESTMENT REPORT
FY 2020



AIRPORT CONSTRUCTION FUND

Cash - Airport Construction	10,984	10,984	10,984	0	0
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PARK FUND

LOGIC - Park Fund	414,904	356,525	278,549	(77,976)	(136,355)
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ANIMAL WELFARE TRUST FUND

CD - Animal Welfare	41,028	41,477	41,746	269	718
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TOTAL CASH AND INVESTMENTS	4,670,331	10,947,770	10,495,435	(452,335)	5,825,104
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OTHER ENTITIES

4A ECONOMIC DEVELOPMENT CORPORATION	October 1, 2019	January 1, 2020	March 31, 2020	Difference - Quarter	Difference Year
Cash	3,193	1,802	3,473	1,671	280
LOGIC	1,593,605	1,701,716	1,836,638	134,922	243,033
Total	1,596,798	1,703,518	1,840,111	136,593	243,313

4B ECONOMIC DEVELOPMENT CORPORATION

Cash	1,481	1,227	2,079	852	598
LOGIC	1,282,979	1,388,681	1,612,869	224,188	329,890
Total	1,284,460	1,389,908	1,614,948	225,040	330,488

TIRZ DISTRICT #1

Cash	1,019	1,019	1,121	102	102
LOGIC	47,669	47,898	82,369	34,471	34,700
Total	48,688	48,917	83,490	34,573	34,802

Center Industrial Development Authority

LOGIC	7,966	8,004	8,037	33	71
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CENTER LOCAL GOVERNMENT CORPORATION

Cash - Center LGC	35,540	35,546	35,557	11	17
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TOTAL OTHER ENTITIES	2,973,452	3,185,894	3,582,143	396,249	608,692
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CITY OF CENTER
SECOND QUARTER CASH AND INVESTMENT REPORT
FY 2020



INVESTMENTS BY TYPE

	October 1, 2019	January 1, 2020	March 31, 2020	Difference - Quarter	Difference Year
Pooled Cash - General Fund	154,140	115,428	73,202	(42,226)	(80,938)
Pooled Cash - Utility Fund	(127,092)	3,160	42,526	39,366	169,618
Pooled Cash - Debt Fund	(11,546)	-	-	-	11,546
Pooled Cash - Solid Waste Fund	42,602	58,867	13,571	(45,296)	(29,031)
Cash - Technology Fund	7,556	(18,994)	1,659	20,653	(5,897)
Cash - HOT	11,564	8,096	15,930	7,834	4,366
Cash - CIP	99	1,000	980	(20)	881
Cash - Utility CIP	1,000	(27,265)	1,000	28,265	-
Cash - Airport Construction	10,984	10,984	10,984	0	0
TOTAL LIQUID CASH	89,307	151,275	159,852	8,577	70,545
Percent Allocation	1.9%	1.4%	1.5%		
LOGIC - General Fund	1,302,783	1,441,878	1,940,793	498,915	638,010
LOGIC - Water Fund	1,148,440	1,004,579	753,899	(250,680)	(394,541)
LOGIC - Water Refund	131,852	135,590	136,362	772	4,510
LOGIC - Solid Waste	142,001	238,122	259,489	21,367	117,488
LOGIC - Replacement Fund	154,649	110,848	49,099	(61,749)	(105,550)
LOGIC - Technology Fund	83,183	132,041	139,756	7,715	56,573
LOGIC - Debt Fund	108,200	265,938	474,529	208,591	366,329
LOGIC - HOT	232,906	397,097	323,041	(74,056)	90,135
LOGIC - Cemetery	122,983	123,472	124,175	703	1,192
LOGIC - Municipal Court Tech	6,299	10,460	11,567	1,107	5,268
LOGIC - Building Security	8,134	11,352	12,299	947	4,165
LOGIC - Forfeiture	29,019	9,077	7,590	(1,487)	(21,429)
LOGIC - Capital Improvements	44,755	4,119,707	3,594,773	(524,934)	3,550,018
LOGIC - Park Fund	414,904	356,525	278,549	(77,976)	(136,355)
LOGIC - TWDB SS Project	609,887	2,398,331	2,187,916	(210,415)	1,578,029
TOTAL POOL INVESTMENTS	4,539,996	10,755,017	10,293,837	(461,180)	5,753,841
Percent Allocation	97.2%	98.2%	98.1%		
CD Animal Welfare	41,028	41,477	41,746	269	718
TOTAL FIXED INVESTMENTS	41,028	41,477	41,746	269	718
Percent Allocation	0.9%	0.4%	0.4%		
TOTAL CASH AND INVESTMENTS	4,670,331	10,947,770	10,495,435	(452,335)	5,825,104

CITY OF CENTER
SECOND QUARTER CASH AND INVESTMENT REPORT
FY 2020



INVESTMENT RATE INFORMATION

CD Information	Maturity	Term	Rate
Animal Welfare	10/16/2020	12 month	1.3%

Rate Comparison

	LOGIC Current Rate	1 Month Treasury Yield	6 Month Treasury Yield	1 Year Treasury Yield	2 Year Treasury Yield
3/31/2020	1.43%	0.05%	0.150%	0.17%	0.23%

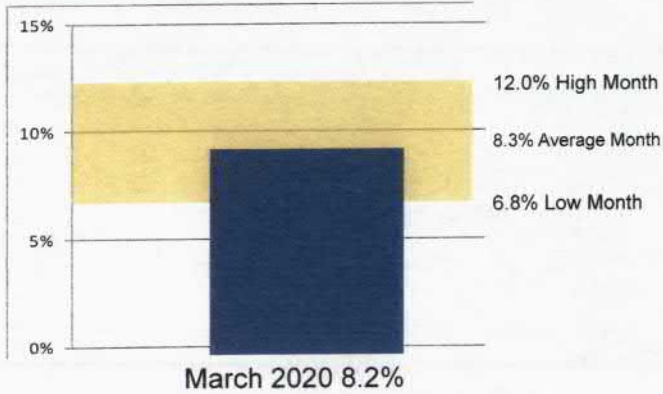
STATEMENT OF INTEREST REVENUE

FUND	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
General	14,239	36,471	23,344	10,643	6,890
Water Utility	9,682	31,287	23,069	12,024	5,420
Debt	2,750	10,281	6,429	3,157	2,014
Hotel/Motel	3,263	7,343	3,577	1,767	921
Animal Welfare	1,257	988	539	536	343
Cemetery	1,107	3,075	2,175	849	668
Solid Waste	2,150	5,338	2,001		
Court Technology	93	190	91	41	36
Building Security	101	228	112	46	24
Asset Forfeiture	85	519	477	202	44
TIF Fund	501	929	450	139	-
Capital Improvement Fund	35,692	23,246	3,655	19,689	5,825
Utility Cap. Imp Fund	21,370	24,441	17,123	18,666	2,832
Park Fund	3,019	9,318	6,788	1,615	732
Equipment Repl. Fund	923	3,164	2,400	2,428	
Technology Fund	1,113	2,459	1,179	-	
Total	97,345	159,277	93,409	71,802	25,750

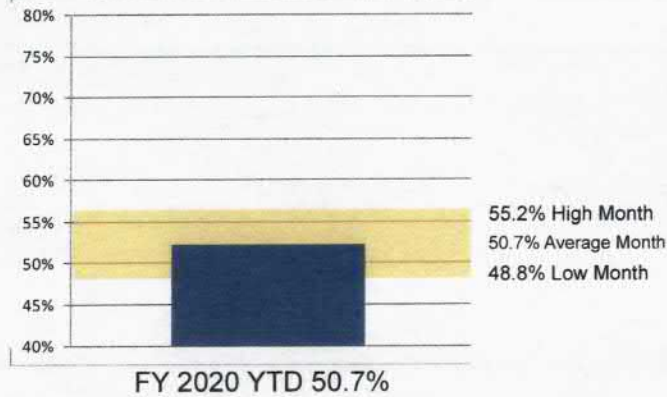


FINANCIAL DASHBOARD MARCH 2020

General Fund March Monthly Expenses

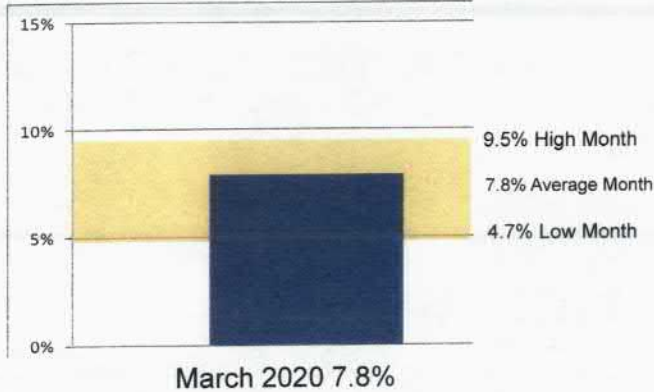


Year to Date Expenses

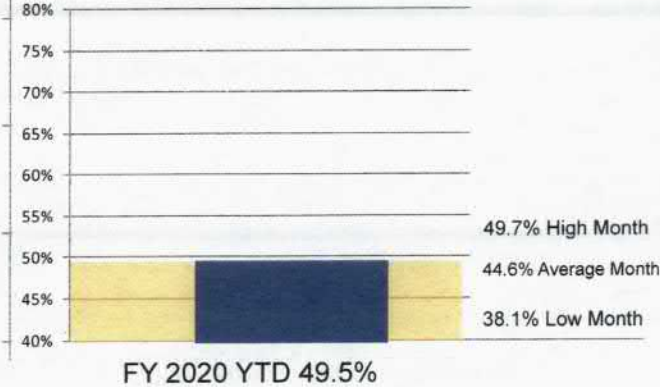


General Fund	FY 2020 Adopted Budget	March 2020	YTD
Non-Departmental	365,800	21,085	211,292
City Hall	855,200	77,857	424,209
Police	2,092,200	183,535	1,059,359
Fire	516,700	37,726	246,339
Streets	335,100	31,025	195,823
Airport	96,000	4,302	49,926
Cemetery	22,500	1,190	8,690
Parks	193,100	15,220	95,511
Inspections	57,900	3,677	27,718
Animal Control	25,700	2,398	11,892
Municipal Court	113,400	9,730	57,367
Civic Center	203,600	15,040	88,007
Community Facilities	85,700	6,182	41,934
Total	4,963,000	408,967	2,518,066
REVENUES	4,963,000	352,985	2,949,488
DIFFERENCE	0	(55,982)	431,422

Utility Fund March Monthly Expenses



Year to Date Expenses

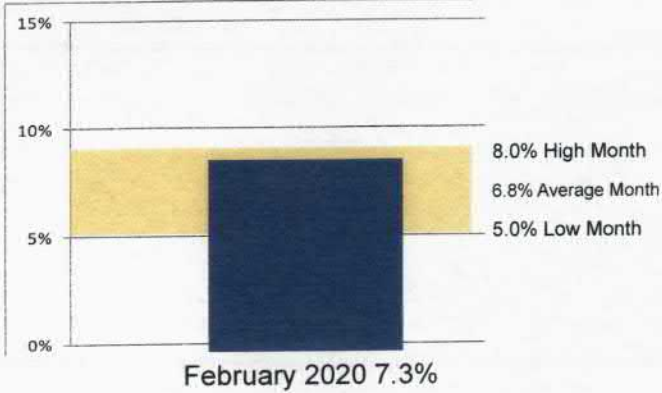


Utility Fund	FY 2020 Adopted Budget	March 2020	YTD
Non-Departmental	1,055,900	113,337	554,676
Water Production	1,233,500	75,591	482,334
Water Distribution	405,250	34,383	239,336
Sewer Collection	314,250	24,760	214,588
Sewer Treatment	563,400	32,276	288,572
Public Works	306,050	20,757	139,341
TOTAL	3,878,350	301,103	1,191,848
REVENUES	3,878,350	219,477	1,805,876
DIFFERENCE	0	(81,626)	(112,972)

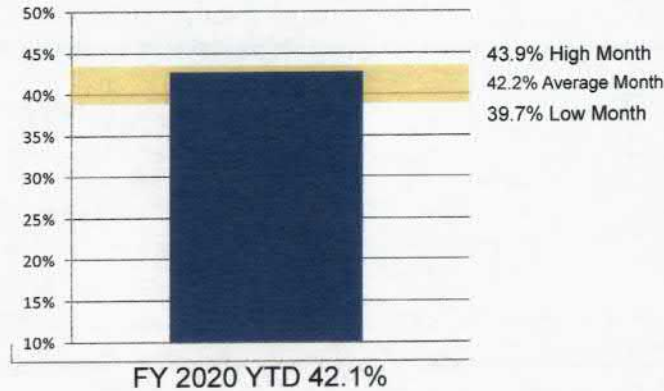


FINANCIAL DASHBOARD FEBRUARY 2020

General Fund February Monthly Expenses

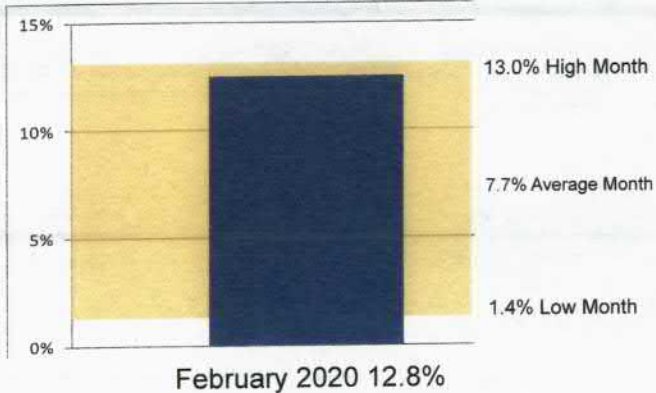


Year to Date Expenses

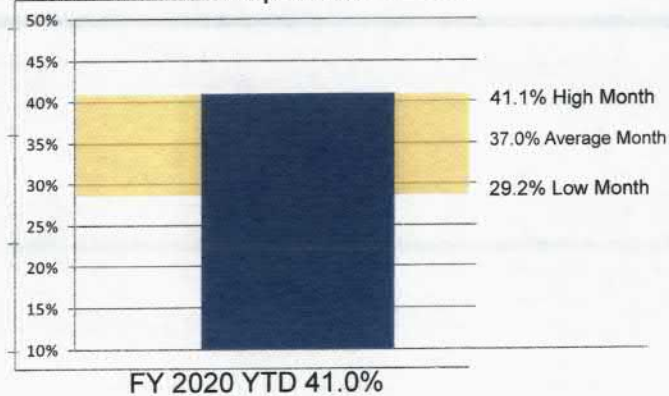


General Fund	FY 2020 Adopted Budget	February 2020	YTD
Non-Departmental	365,800	21,685	190,600
City Hall	855,200	59,373	342,334
Police	2,092,200	143,827	871,453
Fire	516,700	38,269	207,930
Streets	335,100	40,499	164,093
Airport	96,000	8,882	45,206
Cemetery	22,500	400	7,500
Parks	193,100	13,122	79,843
Inspections	57,900	5,703	22,748
Animal Control	25,700	2,070	6,152
Municipal Court	113,400	8,325	47,595
Civic Center	203,600	12,388	69,440
Community Facilities	85,700	5,850	34,515
Total	4,963,000	360,394	2,089,410
REVENUES	4,963,000	690,021	2,593,927
DIFFERENCE	0	329,628	504,517

Utility Fund February Monthly Expenses



Year to Date Expenses



Utility Fund	FY 2020 Adopted Budget	February 2020	YTD
Non-Departmental	1,055,900	279,626	440,896
Water Production	1,233,500	62,416	404,005
Water Distribution	405,250	30,029	196,563
Sewer Collection	314,250	64,015	183,024
Sewer Treatment	563,400	38,324	250,466
Public Works	306,050	20,111	115,277
TOTAL	3,878,350	494,521	1,590,232
REVENUES	3,878,350	255,916	1,584,975
DIFFERENCE	0	(238,605)	(5,256)