



THE CITY COUNCIL OF THE CITY OF HENDERSON, TEXAS, WILL MEET ON TUESDAY, THE 20TH OF JUNE AT 6:00 P.M. FOR A REGULAR COUNCIL MEETING, AT CITY HALL, 300 W. MAIN STREET, FOR THE FOLLOWING PURPOSES:

Mayor:

J.W. (Buzz) Fullen

Council Members:

Wes Breitenberg
Reginald Weatherton
Melissa Morton
Gina Juarez

City Manager:

Jay Abercrombie

Mayor Pro Tem

Henry Pace

City Secretary

Cheryl Jimerson

CALL TO ORDER: *The Mayor will call the meeting to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act.*

INVOCATION AND PLEDGE OF ALLEGIANCE:

CITIZENS COMMENTS

PRESENTATIONS/ANNOUNCEMENTS

CONSENT AGENDA

1. Consideration and possible action upon the minutes of the May 16 Regular Council Meeting. (Jimerson)
2. Consideration and possible action upon HEDCO financials from the month of April, 2023. (Clary)
3. Consideration and possible action on approval of street closures W. Fordall to HWY 64, Sand St. to W. Fordall and Lake Forest Parkway for the Freedom Festival on July 4, 2023, from 5 p.m. until 11:30 p.m. (Taylor/Chote)
4. Consideration and possible action upon the engagement letter to contract for auditing services with Gollob, Morgan, Peddy, CPA for the fiscal year ending September 30, 2023. (Arnall)

COUNCIL BUSINESS – REGULAR SESSION

5. Consideration and possible action on accepting 2022 Master Street Improvements Program Contract 010-2124 as complete, authorizing final payment to the contractor, and setting a warranty date. (Brown)
6. Consideration and possible action upon a deed of donation from the City of Henderson to HEDCO for a 0.45 ROW located on Frisco Street. (Abercrombie/Jimerson)
7. Consideration and action upon the second reading of Ordinance 2023-04-05 renaming Pope Street to Bob Allen Way. (Hughes/McElfresh)
8. Consideration and possible action upon Resolution 2023-06-01 establishing the City of Henderson Property Assessed Clean Energy (PACE) Program. (Jimerson/Abercrombie)
9. Consideration and possible action upon a revision of Resolution No. 2023-03-02 Addendum authorizing and approving the filing of the Certificate of Formation for Henderson Economic Development Corporation as a Type B economic development corporation and all the documents related thereto. (Clary)
10. Consideration and possible action upon a recommendation of appointments to the Main Street Board and the Henderson Landmark Preservation Committee. (S. Kimbrell)
11. Consideration on an ordinance to abandon a portion of an undeveloped alley on Peach Street.

12. Consideration and possible action upon scheduling a Budget Workshop and Special Meeting for July 7, 2023 at 3:00 p.m. (Abercrombie)

DEPARTMENTAL REPORTS:

13. The City Council may deliberate and make inquiry into any item listed in the Departmental Reports.
 - A. City Manager
 - B. Fire Department
 - C. Police Department
 - D. Animal Center
 - E. Community Development
 - F. Public Services/Parks and Recreation Department
 - G. Public Utilities
 - H. Finance Department
 - I. City Secretary
 - J. Communications and Marketing
 - K. HEDCO
 - L. Director of Operations Departmental Reports below.
 - Civic Center
 - Main Street/Tourism
 - Municipal Court

BOARDS AND COMMISSIONS

Board of Adjustments Minutes of May 6, 2023 meeting.

Planning and Zoning did not meet in May.

Cemetery Board next meeting is scheduled for August 16, 2023.

Main Street Meeting Minutes from May 23, 2023.

Preservation Board did not meet in May.

EXECUTIVE SESSION

14. Executive Session to consult with the City Attorney discussing real property located in the 1800 Block of HWY 64 West in accordance with Vernon's Texas Government Code Annotated, Chapter 551, Sections 071 and 072.

REGULAR SESSION

15. Reconvene into Regular Session and take action necessary as a result of the Closed Session.

ADJOURNMENT

16. Adjourn

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

ACCESSIBILITY STATEMENT

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (903) 657-6551.

CERTIFICATE

I certify the foregoing notice was posted on the notice board in front of City Hall and on the notice board at the handicap accessible door of the City Hall, Henderson, Texas, on this the 15th day of June 2023.

Cheryl Jimerson, City Secretary



City Council

Agenda Item # 1.

SUBJECT: Consideration and possible action upon the minutes of the May 16 Regular Council Meeting. (Jimerson)

MEETING DATE: June 20, 2023

DEPARTMENT: City Secretary

CONTACT:

RECOMMENDED CITY COUNCIL ACTION:
ITEM SUMMARY:

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. 20230516 Regular Meeting Minutes

MINUTES OF THE
HENDERSON CITY COUNCIL
REGULAR SCHEDULED MEETING

May 16, 2023

CALL TO ORDER: *The Mayor will call the meeting to order, declare a quorum if present, and declare notices legally posted pursuant to Open Meetings Act.*

Mayor Fullen called the meeting to order at 6 p.m.

Council members present were Wes Breitenberg, Reggie Weatherton, Henry Pace, Melissa Morton, and Gina Juarez.

Staff members present were City Manager Jay Abercrombie, City Secretary Cheryl Jimerson, City Attorney Joe Shumate, Chief of Police Chad Taylor, Deputy Chief of Police Randall Hudman, Fire Chief Rusty Chote, Director of Operations Davis Brown, Director of Public Services Kirk Kimbrell, Director of Utilities Randy Boyd, Finance Director Karen Arnall, Animal Center Director Charissa Pool, Zoning Coordinator Billy Hughes, Civic Center Manager Stephanie Kimbrell, Executive Leadership Assistant/HR Specialist Hillary Faulkner, Communications and Marketing Coordinator Phedra Johnson, and HEDCO Director John Clary.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Council Member Reggie Weatherton gave the invocation, Council Member Wes Breitenberg led the Pledges.

CITIZENS COMMENTS

Jennifer Geddie of 406 Shawnee Trail announced there was a Spec home built near her. She stated the new construction has rain water coming onto her property, causing foundation problems.

PRESENTATIONS/ANNOUNCEMENTS

Mayor Fullen acknowledged Council Member Reggie Weatherton's grandson making an all stars team and going to Austin.

CONSENT AGENDA

1. Consideration and possible action upon the minutes of April 18, 2023 Workshop and Regular Council Meeting. (Jimerson)
2. Consideration and possible action upon HEDCO financials from the month of March 2023. (Clary)
3. Consideration and possible action upon the request from the Juneteenth Committee for approval on the Juneteenth Parade route and on duty officers for escort, directing traffic and activities scheduled for Saturday June 17, 2023. (Taylor/Chote)

Council Member Reggie Weatherton made a motion to approve the consent agenda, duly seconded by Council Member Henry Pace. The vote was unanimous.

COUNCIL BUSINESS – REGULAR SESSION

4. Consideration and possible action upon awarding a bid proposal for the City Hall elevator project. (Holland)
Neal Holland of Stokes and Associates submitted the bid proposal minutes to the Council stating the city received three bids on the elevator project. The low bidder was Paragon Construction and Associates out of Whitehouse. As stated in the recommendation, the project is due to be completed after notice to proceed in 143 days.

Council Member Mellisa Morton made a motion to approve Paragon Construction on the elevator project for \$500,554.69, duly seconded by Council Member Gina Juarez. The vote was unanimous.

5. Consideration upon the first reading of Ordinance 2023-04-05 renaming Pope Street to Bob Allen Way. (Hughes/McElfresh)

Mayor Fullen presented the Allen family with a framed copy of the ordinance, including a small version of the Bob Allen Way street sign within the frame, renaming Pope Street to Bob Allen Way. Mayor Fullen also acknowledged the barbecue restaurant was featured in the Texas Monthly magazine as the best Bar B Que in Texas for one year and has been in operation for 43 years.

Council had no questions or comments on the first reading of Ordinance 2023-04-05.

6. Consideration and possible action upon Resolution 2023-05-01 Intent to establish the City of Henderson Property Assessed Clean Energy (PACE) Program and setting a public hearing date. (Jimerson/Abercrombie)

Council Member Reggie Weatherton made a motion to approve a resolution with the intent of establishing the PACE program and set a public hearing date for June 20 at the regular Council meeting. Duly seconded by Council Member Henry Pace. The vote was unanimous.

7. Consideration and possible action upon the renewal of a Curfew Ordinance 2023-04-04. (Jimerson/Taylor)

City Secretary Cheryl Jimerson and Police Chief Chad Taylor agreed there are no updates needed to the ordinance, just our annual renewal.

Council Member Henry Pace made a motion to renew the Curfew Ordinance, duly seconded by Council Member Melissa Morton. The vote was unanimous.

8. Consideration and possible action upon the second reading of Ordinance # 2023-04-03 annexing HEDCO property located on Industrial Drive/Morris Street into the city limits. (Jimerson)

The City Secretary stated there have been no public comments at either of the two public hearings previously held. She recommended the Council approve the second reading of said ordinance annexing 25.119 acres into the city limits. The property is located at 1702 Industrial Drive (Morris Street).

Council Member Gina Juarez made a motion to approve the second reading of said ordinance annexing HEDCO property into the city limits, duly seconded by Council Member Wes Breitenberg. The vote was unanimous.

9. Consideration and possible action upon the second reading of Ordinance 2-23-04-05 a zoning change from Institutional (IS) to low density Multi-family 1 (M1) for a property located at 1112 Longview Dr. (Hughes/McElfresh)

Zoning Coordinator Billy Hughes stated no changes have been made to ordinance 2023-04-05 since the first reading occurred on April 23, 2023. The property owners want to continue with the zoning change from Institutional to low density multi-family 1 zone. He recommended the Council approve the second reading of this ordinance.

Council Member Wes Breitenberg made a motion approving the second reading of ordinance 2023-04-05, duly seconded by Council Member Reggie Weatherton. The vote was unanimous.

10. Consideration and possible action upon Resolution # 2023-05-02 allowing the same Board members to serve on Main Street and The Historic Preservation Boards. (S.Kimbrell)

Civic Center Manager Stephanie Kimbrell stated members would serve on both Main Street and Preservation boards.

Council Member Reggie Weatherton made a motion approving Resolution 2023-05-02 using the same seven board members for the Main Street and the Historical Preservation Boards, duly seconded by Council Member Melissa Morton. The vote was unanimous.

11. Consideration and possible action upon amendment #2 to the HEDCO Employment Agreement with the City of Henderson. (Clary)

HEDCO Director John Clary, stated five years ago, HEDCO did the same thing with the marketing person, Karen Greene. Karen Smith has announced her retirement. John stated there is a need for amendment #2 of the HEDCO Employment Agreement. He wants the amendment to state all HEDCO members to have the same benefits and to be paid out of the same program as regular city employees are paid through. HEDCO will fully reimburse the city for all compensation and salaries.

Council Member Henry Pace made a motion to approve amendment #2 of the HEDCO Employment Agreement, duly seconded by Council Member Reggie Weatherton. The vote was unanimous.

DEPARTMENTAL REPORTS:

12. The City Council may deliberate and make inquiry into any item listed in the Departmental Reports.

- A. City Manager
- B. Fire Department
- C. Police Department
- D. Animal Center
- E. Community Development
- F. Public Services/Parks and Rec Departments
- G. Public Utilities
- H. Finance Department
- I. City Secretary
- J. Communications and Marketing
- K. HEDCO
- L. Director of Operations

Civic Center

Main Street/Tourism

Municipal Court

Council Member Reggie Weatherton asked the Animal Center Director Charissa Pool how to surrender animals. She stated how and if the center was at full capacity (which it usually is), they would not be able to accept the animals at that time.

Council Member Melissa Morton asked how many of the animals in the kennel are strays? Charissa stated about 30.

BOARDS AND COMMISSIONS

Board of Adjustments Minutes of the meeting from April 11, 2023

Planning and Zoning Minutes of the meeting from April 11, 2023.

Cemetery Board Minutes of the meeting from April 19, 2023.

Main Street did not meet in the Month of April.

Preservation did not meet in the Month of April.

The council had no questions or comments on the Board meeting minutes.

EXECUTIVE SESSION:

13. Executive Session to consult with the City Attorney discussing real property located in the 1800 Block of HWY 64 West, and in the 1700 Block of HWY 259 South in accordance with Vernon's Texas Government Code Annotated, Chapter 551, Sections 071 and 072.

Mayor Fullen closed the regular meeting at 6:51 p.m. to go into the executive session.

REGULAR SESSION:

14. Reconvene into Regular Session and take action necessary as a result of the Closed Session.

Mayor Fullen reconvened into regular session stating there was no action to take.

ADJOURNMENT

15. Adjourn

Council Member Gina Juarez made a motion to adjourn at 7:26 p.m., duly seconded by Council Member Melissa Morton. The vote was unanimous.

ATTEST:

APPROVED:

Cheryl Jimerson, City Secretary

John Fullen, Mayor



City Council

Agenda Item # 2.

SUBJECT: Consideration and possible action upon HEDCO financials from the month of April, 2023. (Clary)

MEETING DATE: June 20, 2023

DEPARTMENT: HEDCO

CONTACT:

RECOMMENDED CITY COUNCIL ACTION:
ITEM SUMMARY:

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. HEDCO FINANCIALS 2022-2023 (Updated Thru 2023-04-30)

HEDCO - APPROVED BUDGET 2022-2023

	A	B	C	D	E	F	G	H	I	J	K
1	Last Edit Date:	May 10, 2023	TYPE B - EDC								
2	Budget approved:	HEDCO - 8/11//2022	03/31/2023 Checking Acct. # 4911857 Balance \$ 1,425,804.15								
3	Budget approved:	City Council 8/23/2022	03/31/2023 Money Market Acct. # 4011759 Balance \$ 4,131,208.61								
4			3/31/2023 Type B Checking Acct. # 4271963 Balance \$ 1,755,683.13								
5			Total Account Balances \$ 7,312,695.89								
6				Approved	Final		APPROVED		Y-T-D		
7				Budget	Budget		BUDGET	1-Month Ended	2022-2023	% Of	
8	Acct.#		Description	2021-2022	2021-2022		2022-2023	4/30/2023	4/30/2023	Budget	Notes
9				12	12				7	58%	Percent of year completed
10	REVENUE										
11	3010		Sales Tax Revenues	1,450,000.00	1,450,000.00		1,750,000.00	169,499.54	1,244,035.69	71%	
12	3025		Interest Income - Banks	40,000.00	40,000.00		25,000.00	14,024.20	98,950.00	396%	Reduced for Alford and Richardson purchases, spec building and amended investment contract
13	3030		Land Sales -Old Industrial Park	106,780.00	106,780.00				123,246.60		7.6 acres to Tyler Pipe, Amendment needed
14	3058		Lease Income - Oldcastle (Aggregates) 7.60 Ac.								Industrial Dr. (CR 203) 7.6 Acres being sold to Tyler Pipe
15	3059		Lease Income - Texas Materials Group - 29.16 Ac.	12,800.00	12,800.00		19,200.00	3,200.00	11,200.00	58%	Mo.Lease - Industrial Dr. (CR 203) was Texas Bit/Oldcastle - Complete 9/2023 (to receive \$1600.00 per month 2/2022 thru 9/2023) Lease Agreement ENDS JUNE, 2023
16	3090		Other (Misc) Revenue	21,189.07	21,189.07				115,463.13		Winly Foods reimbursement on incentive
17			TOTAL REVENUE	1,630,769.07	1,630,769.07		1,794,200.00	186,723.74	1,592,895.42	89%	
18											
19	* Footnote		Note Reciveable from Rusk County Rural Rail District - Not Included in Budget Totals	13,333.34	13,333.34						Notes receivable accrue on the balance sheet vs.the budget at. \$6,666.67 per month. Pmt. Deferred for 15 years until 2037.
20											

HEDCO - APPROVED BUDGET 2022-2023

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final		APPROVED		Y-T-D		
7				Budget	Budget		BUDGET	1-Month Ended	2022-2023	% Of	
8	Acct.#		Description	2021-2022	2021-2022		2022-2023	4/30/2023	4/30/2023	Budget	Notes
21	EXPENDITURES										
22	Economic Development Expenses										
23	6106		Project Winly Foods, LLC	103,000.00	103,000.00						Completed - Incentive Agreement \$400,000 -100 jobs signed 9/5/2017, 5-years. Stopped sending payments.
24	6107		Project US Ind. Sourcing / PRO HYDRONIC								Incentive Agreement, \$175,000, 35 jobs, Feb 2019, 5-years. Completed 1st Qtr, 2021
25	6116		Henderson Canvas Products, Inc.								Job creation incentive, 6-jobs @ \$5,000 /job. Forgivable loan executed March 2021. \$30,000 forgivable Loan in A/R
26	6200		Business Incentives for new or existing businesses	500,000.00	500,000.00		350,000.00				Reserve for Incentive for New Businesses. \$5,000 per job x 100 jobs.
27	6190		Matching Grants for Business Retention -Ind. Park				150,000.00				
28											
29			Total Economic Development Expenses	603,000.00	603,000.00		500,000.00	-	-	0%	
30											
31	Supplies, Office Expenses and Professional Services										
32	6501		Accounting (Monthly Bookkeeping + Annual Audit)	12,000.00	12,000.00		12,000.00	5,575.00	7,915.00	66%	PB&J Accounting, Auditor Morgan LaGrone CPA
33	6502		Insurance - General Liability	1,500.00	1,500.00		1,500.00		1,500.00	100%	City of Henderson Liability premium to HEDCO. Lump sum annual payment.
34	6503		Legal (Attorney)	30,000.00	30,000.00		30,000.00	3,267.50	22,774.57	76%	Legal fees
35	6504		Office Expenses	1,500.00	1,500.00		1,500.00	651.63	1,838.54	123%	Office supplies, copy paper, printer cartridges, computers, printer, furniture, bookshelves, storage, etc.
36	6505		Postage & Shipping	100.00	100.00		100.00		226.20	226%	Stamps, Fed-Ex, UPS
37	6506		Property Tax						70.53		Copy machine tax
38	6507		Telephone, Cell (Admin)	600.00	600.00		600.00	50.00	350.00	58%	Office Phone, Cell for Adm. Asst.
39	6508		Utilities - HEDCO Offices								Potential utilities in new building.
40	6509		Professional Services - Engineering, Design, Architectural (Part of Capital Expenses)	143,192.50	143,192.50		225,000.00	7,703.47	147,918.11	66%	New Business Park , Professional Services, Property Surveys, Engineering, Phase 1 Environmentals, Streets, Drainage, Sidewalks, Water, Sewer, Fiber, Natural Gas
41			Subtotal - Supplies, Office Expenses and Professional	188,892.50	188,892.50		270,700.00	17,247.60	182,592.95	97%	
42											

HEDCO - APPROVED BUDGET 2022-2023

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final		APPROVED		Y-T-D		
7				Budget	Budget		BUDGET	1-Month Ended	2022-2023	% Of	
8	Acct.#		Description	2021-2022	2021-2022		2022-2023	4/30/2023	4/30/2023	Budget	Notes
43	Personnel Expenses										
44	7001		Contract Labor - Executive Director (with City)	144,420.00	144,420.00		161,539.00	15,434.75	95,446.60	59%	Salary, Insurance, Retirement, Cell Phone, Car Allowance, W/H invoiced by City of Henderson,
45	7002		Insurance Life - Adm. Asst.	1,200.00	1,200.00		1,200.00				Life Insurance - Office Manager Karen Smith
46	7003		Insurance Health - Adm. Asst.	4,775.00	4,775.00		5,044.00	415.79	2,928.77	58%	Medical Insurance - Office Manager Karen Smith
47	7004		Insurance Worker's Comp - Adm. Asst.	396.00	396.00		396.00		381.52	96%	Hartford Ins. - Office Manager Karen Smith
48	7007		Retirement -Adm. Asst.	3,300.00	3,300.00		4,000.00		1,893.43	47%	Kansas City Life - Office Manager Karen Smith
49	7008		Salary - Adm. Asst.	44,950.00	44,950.00		49,850.00	3,835.20	28,926.43	58%	Salary - Office Manager Karen Smith
50	7009		Payroll Taxes - Adm Asst.	4,200.00	4,200.00		4,950.00	362.30	2,648.05	53%	Payroll Taxes - Office Manager Karen Smith
51	7010		Contract Labor - Dir. of Marketing/Business Dev.	108,280.00	108,280.00		108,280.00	11,300.18	38,554.15	36%	Salary, Insurance, Retirement, Cell Phone, Car Allowance, W/H invoiced by City of Henderson. Director of Marketing
52	7011		Insurance Health - Dir. of Marketing					437.46	1,749.84		Health Insurance - Director of Marketing
53			Subtotal - Personnel Expenses	311,521.00	311,521.00		335,259.00	31,785.68	172,528.79	51%	
54											
55	Program Expenses										
56	7201		Website Annual License Fees	3,200.00	3,200.00		9,400.00		3,074.00	33%	Annual License Fee to ED Suite. Invoiced Nov 31 annually.
57	7202		Website Development, Maintenance, Upgrades, etc.	24,188.00	24,188.00		12,094.00		13,095.00		Website CMS technology update (back end), new photo gallery, better mapping, new business park pages, updated property search tool, incentives tool - New website design EDSuite
58	7203		Advertising and Marketing	55,100.00	55,100.00		70,100.00	4,825.00	25,781.36	37%	Print ads, Direct mail or email, Marketing travel, Trade shows, Sponsorships, Printed flyers & brochures, Marketing signage, Videos, Billboard, Site Location Partnership, Public Notices, + Business Park Coming Soon Signs
59	7204		Meetings and Entertainment	14,500.00	14,500.00		14,500.00	33.60	3,440.36	24%	Meeting refreshments, BREP meals, Prospect Hosting, Industry Appreciation Luncheon

HEDCO - APPROVED BUDGET 2022-2023

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final		APPROVED		Y-T-D		
7				Budget	Budget		BUDGET	1-Month Ended	2022-2023	% Of	
8	Acct.#		Description	2021-2022	2021-2022		2022-2023	4/30/2023	4/30/2023	Budget	Notes
60	7205		Dues, Memberships & Subscriptions	17,285.00	17,285.00		17,250.00	703.00	4,453.04	26%	Chamber of Commerce, TEDC, Rotary, Team Texas, ICSC, NETEDR, Adobe AcrobatDC (2), Place Marketing, also Computer Programs & Subscriptions.
61	7206		Travel & Training - Non-Marketing Conferences, Webinars, Seminars and Training (Including Travel), Admin. Asst. Mileage	27,000.00	27,000.00		25,000.00	15.41	7,394.99	30%	TEDC Conferences, Training Workshops, Webinars, PFIA Training, Software Technical Assistance, Rusk County Days Austin Trip, Admin Assistant Mileage.
62	7207		Non Engineering Studies	4,250.00	4,250.00		2,000.00				ETCOG Broadband Study Match
63	7208		Special Projects								
64	7209		BREP Matching Grant Program (Type B Program) (Placeholder)	-							Business Retention - Matching grants for current or new businesses in current industrial parks.
65			Subtotal - Program Expenses	145,523.00	145,523.00		150,344.00	5,577.01	57,238.75	38%	
66											
67			Repairs and Maintenance (Non-Capital Expenses)								
68	7302		Property Maintenance - Frisco Street Parcel (29 acres)	4,000.00	4,000.00		4,000.00	1,000.00	6,365.00	159%	Maintenance (Mowing, Clearing, Trimming, water detention, etc)
69	7303		Property Maintenance - Taylor Street/Greenbelt	1,000.00	1,000.00		600.00		150.00	25%	Greenbelt Maintenance
70	7304		Property Maintenance - Old Industrial Park								
71	7305		Property Maintenance - East Texas Regional Business Park	20,000.00	20,000.00		20,000.00		1,050.00	5%	Mowing, trimming, repairs & maintenance
72	7306		Monument and Wayfinding Sign - Industrial Park								Sign at CR 203 & Loop 571 (TXDOT Won't Allow)
73	7307		Railroad Preventative Maintenance (Ties)								To facilitate NETRMA Grant for RR ties. \$240,000 reimbursement (Completed)
74	7308		Remodel CAC Bldg & Furnishings								Remodel cost, conference table & chairs, wiring, furnishings
75			Subtotal - Repairs and Maintenance (Non-Capital)	25,000.00	25,000.00		24,600.00	1,000.00	7,565.00	31%	
76											
77			TOTAL EXPENSES	1,273,936.50	1,273,936.50		1,280,903.00	55,610.29	419,925.49	33%	
78											

HEDCO - APPROVED BUDGET 2022-2023

	A	B	C	D	E	F	G	H	I	J	K
6				Approved	Final		APPROVED		Y-T-D		
7				Budget	Budget		BUDGET	1-Month Ended	2022-2023	% Of	
8	Acct.#		Description	2021-2022	2021-2022		2022-2023	4/30/2023	4/30/2023	Budget	Notes
79	CAPITAL OUTLAY										
80	7501		Purchase of Property for New Business Park	400,000.00	400,000.00		400,000.00				2019-20 Alford Parcel \$1,044,000, 2020-21 Richardson Parcel \$327,621.95. 2020-21 9.786 Acres \$39,144. Future: Jim Allen Estate.
81	7502		East Texas Reg. Business Park - Capital Expenditures - Utilities & Street Improvements, Land Clearing, Sidewalks, Pond improvements	2,500,000.00	2,500,000.00		3,800,000.00	492,003.27	1,433,452.86	38%	John Wright Construction, Few Land & Timber & Other Contractors \$4,900 moved to 7203 (Advertising)
82	7503		Grant Match for TCF Grant - Morris Street								TCF Program was Shelved by TX Ag Commission
83	7504		Speculative Building - Design and Construction								Engineer, design and construct a 20,000 sq ft building. On HOLD
84		Total Capital Outlay		2,900,000.00	2,900,000.00		4,200,000.00	492,003.27	1,433,452.86	34%	
85											
86	TOTAL EXPENDITURES (Expenses + Capital Outlay)			4,173,936.50	4,173,936.50		5,480,903.00	547,613.56	1,853,378.35	34%	
87											
88	Totals										
89		Total Revenues		1,630,769.07	1,630,769.07		1,794,200.00	186,723.74	1,592,895.42	89%	
90		(Less) Total Expenditures		4,173,936.50	4,173,936.50		5,480,903.00	547,613.56	1,853,378.35	34%	
91	Net Increase/Decrease In Unrestricted Net Assets			(2,543,167.43)	(2,543,167.43)		(3,686,703.00)	(360,889.82)	(260,482.93)	7%	
92		Receivable for Loan - Rusk County Rural Rail District		-	13,333.34				-		(1-month) Receivables accrue on the Balance Sheet
93		Total Available to Contribute to Fund Balance		(2,543,167.43)	(2,529,834.09)		(3,686,703.00)	(360,889.82)	(260,482.93)	7%	Operating income less operating expenses
94											
95	Potential Transfer From Fund Balance										Projected Expenditures In Excess of Annual Income
96											
97	FINAL BALANCE			-2,543,167.43	-2,529,834.09		-3,686,703.00	-360,889.82	-260,482.93		
98											



City Council

Agenda Item # 3.

SUBJECT: Consideration and possible action on approval of street closures W. Fordall to HWY 64, Sand St. to W. Fordall and Lake Forest Parkway for the Freedom Festival on July 4, 2023, from 5 p.m. until 11:30 p.m. (Taylor/Chote)

MEETING DATE: June 20, 2023

DEPARTMENT: Police Department

CONTACT: Chad Taylor, Rusty Chote, Fire Chief

RECOMMENDED CITY COUNCIL ACTION: Staff recommends Council support this event and approve request.

ITEM SUMMARY: The closing of a section of W. Fordall St. and all of Lake Forest Parkway on July 4, 2023 during the Fireworks celebration at Lake Forest Park's annual event.

BACKGROUND INFORMATION: W. Fordall St. from Sand St. to Hwy 64 and Lake Forest Parkway is closed for the safety of the citizens from 5 p.m. until after the Concert approximately 11 to 11:30. Closing these streets will help with public safety and to make room for spectators and vendors. The Henderson Police Department and/or volunteers will man the barricades at Sand St. and Lake Forest Parkway as well as Hwy 64 and Lake Forest Parkway. HPD Officers will also be patrolling Lake Forest Park during this time. The Henderson Fire Department will man the barricade at W. Fordall St. and Sand St. and will have at least two fire trucks in close vicinity of the fireworks. Once the fireworks are armed and up until the fireworks display is over, the public cannot be within 300 ft. of the fireworks.

SPECIAL CONSIDERATIONS: The backup date will be July 5th, 2023 for the Fireworks Celebration if the July 4th, 2023 celebration is cancelled due to weather or unforeseen reasons.

SUPPORTING MATERIALS: None



City Council

Agenda Item # 4.

SUBJECT: Consideration and possible action upon the engagement letter to contract for auditing services with Gollob, Morgan, Peddy, CPA for the fiscal year ending September 30, 2023. (Arnall)

MEETING DATE: June 20, 2023

DEPARTMENT: Finance

CONTACT: Karen Arnall, Finance Director

RECOMMENDED CITY COUNCIL ACTION: Staff recommends Council to approve the 2023 engagement letter that will secure auditing services from Gollob, Morgan, Peddy, CPA for fiscal year ending September 2023.

ITEM SUMMARY: The city is required annually to have a Certified Public Accountant perform an audit of the books and accounts of all records and transactions by the administration of the City. Kevin Cushion, CPA partner with Gollob, Morgan, and Peddy, has presented the proposal which includes an estimated cost of between \$42,000 and \$43,000.

Gollob, Morgan, and Peddy CPA is a full-service Tyler CPA firm established in 1982. They have a Government Audit Division with a staff that is certified to prepare Government Audits and does so for several East Texas Cities and County agencies.

BACKGROUND INFORMATION: The firm conducted the City's audit the last five years. Their auditing staff did an excellent job. Their staff spent the majority of their time with the Finance and Water Department staff and we all worked very well together.

SPECIAL CONSIDERATIONS:**SUPPORTING MATERIALS:**

1. Gollob Morgan Peddy CPA 2023 Engagement Letter

May 5, 2023

Honorable City Council
City of Henderson
400 W. Main
Henderson, Texas

The following represents our understanding of the services we will provide the City of Henderson (the City):

You have requested that we audit the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Henderson, as of September 30, 2023, and for the year then ended and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

In addition, we will audit the City's compliance over major federal award programs for the period ended September 30, 2023. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the City's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America (U.S.GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that management's discussion and analysis (MD&A), and Changes in Net Pension Liability and Related Ratios, be presented to supplement the City of Henderson's basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Net Changes in Net Pension Liability and Related Ratios
- 3) Schedule of Pension Contributions and Related Notes

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- 4) Schedule of Changes in OPEB Liability and Related Ratios – Supplemental Death Benefits Plan
- 5) Schedule of Changes in OPEB Liability and Related Ratios – Health Plan

Supplementary information other than RSI will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- 1) Combining Financial Statements – Nonmajor Governmental Funds
- 2) Combining Financial Statements – Special Revenue Funds
- 3) Combining Financial Statements – Capital Projects Funds
- 4) Detailed Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP Budget Basis) – Water and Sewer Fund

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Auditor Responsibilities

We will conduct our audits in accordance GAAS, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). As part of an audit in accordance with GAAS and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

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Auditor Responsibilities (continued)

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Audit of Major Program Compliance

Our audit of the City's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the provisions of the Uniform Guidance; and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the City's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Audit of Major Program Compliance (continued)

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the City's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the City's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the City's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the City's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City of Henderson's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
- c. For maintaining records that adequately identify the source and application of funds for federally funded activities;
- d. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- e. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the City is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
- f. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the City is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
- g. For taking prompt action when instances of noncompliance are identified;
- h. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- i. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;

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Management Responsibilities (continued)

- j. For submitting the reporting package and data collection form to the appropriate parties;
- k. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
- l. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- m. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements and relevant to federal awards such as records, documentation and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- n. For including the auditors' report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
- o. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- p. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- q. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- r. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- s. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials or compliance; and
- t. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Non-Attest Services

With respect to any non-attest services we perform,

At the end of the year, we agree to perform the following:

- Propose adjusting or correcting journal entries to be reviewed and approved by the City's management.

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Non-Attest Services (continued)

- Prepare the basic financial statements and related notes as identified on page one of this letter as well as the RSI and supplementary information.
- Consult with the City on implantation of new GASB Standards, such as GASB Statement No. 96.

We will not assume management responsibilities on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its responsibilities.

The City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the non-attest services are as follows:

- We will perform the services in accordance with applicable professional standards
- The non-attest services are limited to the those identified above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of the City of Henderson's basic financial statements. Our report will be addressed to the governing body of the City of Henderson. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Engagement Administration, Fees and Other

We understand that your employees will prepare all confirmations we request and will locate any document or support for any other transactions we select for testing.

We will provide copies of our reports to the City of Henderson; however, management is responsible for distribution of the reports and the basic financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection. If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of Gollob Morgan Peddy PC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit

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Engagement Administration, Fees and Other (continued)

documentation will be provided under the supervision of Gollob Morgan Peddy PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by certain federal agencies. If we are aware that a federal awarding agency, pass through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit as soon as mutually convenient and to issue our reports within the timeline previously mentioned above. Kevin R. Cashion, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Based on our previous engagements, the fee should approximate between \$42,000 and \$43,000, which includes estimated fees for compliance testing and reporting under the Uniform Guidance as mentioned in this letter. Our services will be invoiced monthly as the audit work progresses. Payment of our services will be due within 30 days of each invoice date. A finance charge of 6% simple interest, calculated at 0.5% per month, will be assessed on any unpaid balance after deduction of current payments made within thirty days of the date of billing. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued

At the conclusion of our audit engagement, we will communicate to the City Council the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Engagement Administration, Fees and Other (continued)

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,

GOLLOB MORGAN PEDDY PC

Kevin R. Cashion, CPA

RESPONSE:

This letter correctly sets forth the understanding of the City of Henderson.

By: _____

Title: _____

Date: _____

Report on the Firm's System of Quality Control

December 20, 2021

To the Shareholders of Gollob Morgan Peddy, PC
and the Peer Review Committee of the TSCPA

We have reviewed the system of quality control for the accounting and auditing practice of Gollob Morgan Peddy, PC (the firm) in effect for the year ended June 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Gollob Morgan Peddy, PC in effect for the year ended June 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gollob Morgan Peddy, PC has received a peer review rating of *pass*.


Briggs & Veselka Co.
Austin, Texas



City Council

Agenda Item # 5.

SUBJECT: Consideration and possible action on accepting 2022 Master Street Improvements Program Contract 010-2124 as complete, authorizing final payment to the contractor, and setting a warranty date. (Brown)

MEETING DATE: June 20, 2023

DEPARTMENT: Public Services/Parks and Recreation

CONTACT: Davis Brown, Director of Operations

RECOMMENDED CITY COUNCIL ACTION: Staff recommends Council support for this action.

ITEM SUMMARY: Consideration and possible action on accepting 2022 Master Street Improvements Program Contract 010-2124 as complete, accepting Change Order #1, authorizing final payment to the contractor, and setting a warranty date.

BACKGROUND INFORMATION: Contract 010-2124 street work has been completed. The City Engineer performed a final inspection and created a final punch list. Rayford's Truck and Tractor has completed all items from this punch list and all work appears to meet contract specifications and requirements.

SPECIAL CONSIDERATIONS: FINANCIAL IMPACT: These final documents include Change Order No. 1. This change order was is for additional quantities totaling \$74,737.50. Final payment due for closeout is \$48,863.99.

SUPPORTING MATERIALS: City Engineer's recommendation letter, Change Order No. 1, Rayford Truck and Tractor's Final Pay Request.

SUPPORTING MATERIALS:

1. 2022 Street Rehabilitation Closeout Documents



May 25, 2023

Mr. Davis Brown, Operations Director
City of Henderson
300 West Main Street
Henderson, Texas 75652

Re: 2022 Master Street Improvements Program
Pay Request No. 5 - FINAL INVOICE
P.O. # 06591

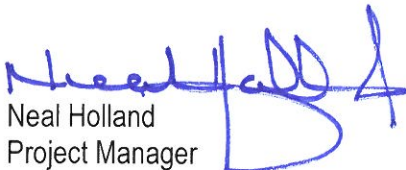
Dear Davis:

Attached you will find a Final Invoice, Pay Request No. 5, from Rayford's Truck & Tractor for the above referenced project. Also, attached you will find Change Order No. 1 adjusting the final quantities for the completed work.

I have reviewed this request including the release of all retainage and recommend it for payment. Upon your review and approval please process this request totaling \$48,863.99. Acceptance by the Council will initiate the 12 month warranty.

If you have any questions or require additional information, please do not hesitate to call.

Sincerely,


Neal Holland
Project Manager

Encl.

cc: Rayford's Truck & Tractor



Rayford's Truck & Tractor
PO Box 1742
Marshall, TX 75671

City of Henderson
2022 Master Street Program

Original Contract Amount: \$867,392.25
Change Order No. 1 \$74,737.50
Revised Contract Amount \$942,129.75

Date: 5/2/2023
City of Henderson PO # 06591
S & A Project No: 010-2124

Pay Request No: 5 FINAL INVOICE

Item	Qty/Units		Bellaire Drive	Contract Amount		This Request		Completed to Date	
				Unit	Total	Qty	Total	Qty	Total
1	545	SY	Unclassified Roadway Excavation	8.00	\$4,360.00		\$0.00	545	\$4,360.00
2	1,035	SY	Full Depth Reclamation	7.40	\$7,659.00		\$0.00	1,035	\$7,659.00
3	545	SY	Type A Grade II Flexbase	25.00	\$13,625.00		\$0.00	545	\$13,625.00
4	1,035	SY	Prime Coat	0.90	\$931.50		\$0.00	1,035	\$931.50
5	910	SY	1 ½ " Thick Compacted Type "D" HMAC Pvmt	11.00	\$10,010.00		\$0.00	910	\$10,010.00
6	1,035	SY	2 " Thick Compacted Type "D" HMAC Pavement	13.75	\$14,231.25		\$0.00	1,035	\$14,231.25
7	2	EA	Adjust Existing Utility Covers	300.00	\$600.00		\$0.00	2	\$600.00
8	3	EA	HMAX Driveway Transitions	300.00	\$900.00		\$0.00	3	\$900.00
9	2	EA	Thermoplastic Stop Bar	300.00	\$600.00	2	\$600.00	2	\$600.00
Subtotal Bellaire Drive					\$52,916.75		\$600.00		\$52,916.75

Item	Qty/Units		South Frisco Street	Unit	Total	Qty	Total	Qty	Total
1	5,060	SY	Full Depth Reclamation	\$7.40	\$37,444.00		\$0.00	5,060	\$37,444.00
2	5,060	SY	Prime Coat	\$0.90	\$4,554.00		\$0.00	5,060	\$4,554.00
3	470	SY	1 ½ " Thick Compacted Type "D" HMAC Pvmt	\$11.00	\$5,170.00		\$0.00	470	\$5,170.00
4	5,060	SY	2 " Thick Compacted Type "D" HMAC Pavement	\$13.75	\$69,575.00		\$0.00	5,060	\$69,575.00
5	8	EA	Adjust Existing Utility Covers	\$300.00	\$2,400.00		\$0.00	8	\$2,400.00
6	1	EA	Thermoplastic Stop Bar	\$250.00	\$250.00	1	\$250.00	1	\$250.00
7	3	EA	Fire Hydrant Markers	\$40.00	\$120.00	3	\$120.00	3	\$120.00
Subtotal South Frisco Street					\$119,513.00		\$370.00		\$119,513.00

Item	Qty/Units		Ravenwood Street	Unit	Total	Qty	Total	Qty	Total
1	4,855	SY	Full Depth Reclamation	\$7.40	\$35,927.00		\$0.00	4,855	\$35,927.00
2	4,855	SY	Prime Coat	\$0.90	\$4,369.50		\$0.00	4,855	\$4,369.50
3	373	SY	1 ½ " Thick Compacted Type "D" HMAC Pvmt	\$11.00	\$4,103.00		\$0.00	373	\$4,103.00
4	4,855	SY	2 " Thick Compacted Type "D" HMAC Pavement	\$13.75	\$66,756.25		\$0.00	4,855	\$66,756.25
5	4	EA	Adjust Existing Utility Covers	\$300.00	\$1,200.00		\$0.00	4	\$1,200.00
6	1	EA	Thermoplastic Stop Bar	\$300.00	\$300.00	1	\$300.00	1	\$300.00
7	2	EA	Fire Hydrant Markers	\$40.00	\$80.00	2	\$80.00	2	\$80.00
Subtotal Ravenwood Street					\$112,735.75		\$380.00		\$112,735.75

Item	Qty/Units		Lockhaven Street	Unit	Total	Qty	Total	Qty	Total
1	2,541	SY	Full Depth Reclamation	\$7.40	\$18,803.40		\$0.00	2,541	\$18,803.40
2	2,541	SY	Prime Coat	\$0.90	\$2,286.90		\$0.00	2,541	\$2,286.90
3	2,541	SY	2 " Thick Compacted Type "D" HMAC Pavement	\$13.75	\$34,938.75		\$0.00	2,541	\$34,938.75
4	4	EA	Thermoplastic Stop Bar	\$300.00	\$300.00		\$0.00		\$0.00
5	3	EA	Adjust Existing Utility Covers	\$300.00	\$900.00		\$0.00	3	\$900.00
6	1	EA	Fire Hydrant Marker	\$40.00	\$40.00	1	\$40.00	1	\$40.00
Subtotal Lockhaven Street					\$57,269.05		\$40.00		\$56,969.05

Item	Qty/Units		West Elk Street	Unit	Total	Qty	Total	Qty	Total
1	1,244	SY	Full Depth Reclamation	\$7.40	\$9,205.60		\$0.00	1,244	\$9,205.60
2	1,244	SY	Prime Coat	\$0.90	\$1,119.60		\$0.00	1,244	\$1,119.60
3	1,244	SY	2" Thick Compacted Type "D" HMAC Pavement	\$13.75	\$17,105.00		\$0.00	1,244	\$17,105.00
4	1	EA	Adjust Existing Utility Cover	\$300.00	\$300.00		\$0.00	1	\$300.00
			Subtotal West Elk Street		\$27,730.20		\$0.00		\$27,730.20

Item	Qty/Units		Price Street (South Frisco Street to End)	Unit	Total	Qty	Total	Qty	Total
1	2,540	SY	Full Depth Reclamation	\$7.40	\$18,796.00		\$0.00	2,540	\$18,796.00
2	2,540	SY	Prime Coat	\$0.90	\$2,286.00		\$0.00	2,540	\$2,286.00
3	415	SY	1 ½ " Thick Compacted Type "D" HMAC Pvmt	\$11.00	\$4,565.00		\$0.00	415	\$4,565.00
4	2,540	SY	2" Thick Compacted Type "D" HMAC Pavement	\$13.75	\$34,925.00		\$0.00	2,540	\$34,925.00
5	6	EA	Adjust Existing Utility Covers	\$300.00	\$1,800.00		\$0.00	6	\$1,800.00
			Subtotal Price St.(S. Frisco St. to End)		\$62,372.00		\$0.00		\$62,372.00

Item	Qty/Units		Inglewood Street	Unit	Total	Qty	Total	Qty	Total
1	2,375	SY	Full Depth Reclamation	\$7.40	\$17,575.00		\$0.00	2,375	\$17,575.00
2	2,375	SY	Prime Coat	\$0.90	\$2,137.50		\$0.00	2,375	\$2,137.50
3	2,375	SY	2" Thick Compacted Type "D" HMAC Pavement	\$13.75	\$32,656.25		\$0.00	2,375	\$32,656.25
4	2	EA	Adjust Existing Utility Covers	\$300.00	\$600.00		\$0.00	2	\$600.00
			Subtotal Inglewood Street		\$52,968.75		\$0.00		\$52,968.75

Item	Qty/Units		Castlegate Street	Unit	Total	Qty	Total	Qty	Total
1	2,385	SY	Full Depth Reclamation	\$7.40	\$17,649.00		\$0.00	2,385	\$17,649.00
2	2,385	SY	Prime Coat	\$0.90	\$2,146.50		\$0.00	2,385	\$2,146.50
3	2,385	SY	2" Thick Compacted Type "D" HMAC Pavement	\$13.75	\$32,793.75		\$0.00	2,385	\$32,793.75
4	1	EA	Adjust Existing Utility Cover	\$300.00	\$300.00		\$0.00	1	\$300.00
			Subtotal Castlegate Street		\$52,889.25		\$0.00		\$52,889.25

Item	Qty/Units		Price Street (South Evenside Street to End)	Unit	Total	Qty	Total	Qty	Total
1	1,500	SY	Full Depth Reclamation	\$7.40	\$11,100.00		\$0.00	1,500	\$11,100.00
2	1,500	SY	Prime Coat	\$0.90	\$1,350.00		\$0.00	1,500	\$1,350.00
3	1,815	SY	1 ½ " Thick Compacted Type "D" HMAC Pvmt	\$11.00	\$19,965.00		\$0.00	1,815	\$19,965.00
4	1,500	SY	2" Thick Compacted Type "D" HMAC Pavement	\$13.75	\$20,625.00		\$0.00	1,500	\$20,625.00
5	1	EA	Adjust Existing Utility Cover	\$300.00	\$300.00		\$0.00	1	\$300.00
6	1	EA	Fire Hydrant Markers	\$40.00	\$40.00	1	\$40.00	1	\$40.00
			Subtotal Price St (S. Evenside St to End)		\$53,380.00		\$40.00		\$53,380.00

Item	Quantity		Cherokee Trail	Unit	Total	Qty	Total	Qty	Total
1	6,525	SY	Unclassified Roadway Excavation	\$4.00	\$26,100.00		\$0.00	6,525	\$26,100.00
2	300	CY	Subgrade Repair	\$85.00	\$25,500.00		\$0.00	300	\$25,500.00
3	6,525	SY	Type A Grade II Flexbase	\$20.00	\$130,500.00		\$0.00	6,525	\$130,500.00
4	6,525	SY	Prime Coat	\$0.90	\$5,872.50		\$0.00	6,525	\$5,872.50
5	6,525	SY	2" Thick Compacted Type "D" HMAC Pavement	\$13.00	\$84,825.00		\$0.00	6,525	\$84,825.00
6	8	EA	Adjust Existing Utility Covers	\$300.00	\$2,400.00		\$0.00	8	\$2,400.00
7	3	EA	Fire Hydrant Markers	\$40.00	\$120.00	3	\$120.00	3	\$120.00
8	1	EA	Thermoplastic Stop Bar	\$300.00	\$300.00	1	\$300.00	1	\$300.00
*9	6,525	SY	Cement Stabilization				\$0.00	6,525	\$75,037.50
Subtotal Cherokee Trail					\$275,617.50		\$420.00		\$350,655.00

* Added cement stabilization to Cherokee Trail

Recommended for Payment


Neal Holland, Project Manager

Total Work Complete \$942,129.75
Stored Materials \$0.00
Subtotal \$942,129.75
Retainage (0%) \$0.00
Previous Payments \$893,265.76

Total Amount Due this Request \$48,863.99

CHANGE ORDER

No. 1DATE OF ISSUANCE 05/22/2023EFFECTIVE DATE May 22, 2023OWNER City of Henderson, TexasCONTRACTOR Rayford's Truck and TractorCONTRACT 2022 Master Street Improvements Project

PROJECT _____

OWNER'S CONTRACT NO. N/A ENGINEER'S CONTRACT NO. 010-2124ENGINEER Stokes & Associates, Inc.

You are directed to make the following changes in the Contract Documents:
Description:

Reason for Change Order:

Addition of cement stabilization to Cherokee Trail and adjustment of final quantities

Attachments: (List documents supporting change)

CHANGE IN CONTRACT PRICE:
Original Contract Price \$ <u>867,392.25</u>
Net Increase (Decrease) from previous Change Orders No. <u> </u> to <u> </u> : \$ <u>N/A</u>
Contract Price prior to this Change Order: \$ <u>867,392.25</u>
Net increase (decrease) of this Change Order: \$ <u>74,737.50</u>
Contract Price with all approved Change Orders: \$ <u>942,129.75</u>

CHANGE IN CONTRACT TIMES:
Original Contract Times: Substantial Completion: _____ Ready for final payment: _____ (days or dates)
Net change from previous Change Orders No. <u> </u> to No. <u> </u> : Substantial Completion: _____ Ready for final payment: <u>N/A</u> (days)
Contract Times prior to this Change Order: Substantial Completion: _____ Ready for final payment: _____ (days or dates)
Net increase (decrease) this Change Order: Substantial Completion: _____ Ready for final payment: _____ (days)
Contract Times with all approved Change Orders: Substantial Completion: _____ Ready for final payment: <u>N/A</u> (days or dates)

RECOMMENDED:

By: [Signature]
ENGINEER (Authorized Signature)Date: 5/22/2023
EJCDC 1910-8-B (1996 Edition)

APPROVED:

By: _____
OWNER (Authorized Signature)

Date: _____

ACCEPTED:

By: [Signature]
CONTRACTOR (Authorized Signature)Date: 5/22/23

Prepared by the Engineers Joint Contract Documents Committee and endorsed by The Associated General Contractors of America and the Construction Specifications Institute.



City Council

Agenda Item # 6.

SUBJECT: Consideration and possible action upon a deed of donation from the City of Henderson to HEDCO for a 0.45 ROW located on Frisco Street.
(Abercrombie/Jimerson)

MEETING DATE: June 20, 2023

DEPARTMENT: Administration

CONTACT: Jay Abercrombie, City Manager

RECOMMENDED CITY COUNCIL ACTION: Council approval on the ROW deed from the City of Henderson to HEDCO.

ITEM SUMMARY: When the re-plat of the HEDCO property located on Frisco Street was done, the City ROW dedicated to the extension of the curve was never developed. There are no future plans to ever change the location of the curve, therefore we have no need for such ROW.

BACKGROUND INFORMATION: This ROW does not allow for access to the two properties located on Frisco Street within Re-plat #1 for the HEDCO property.

Supporting documents: Deed with survey.

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. Deed of Donation Frisco St

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Deed of Donation

Date: June 20, 2023

Grantor: City of Henderson, a Texas Municipality

Grantor's Mailing Address:

City of Henderson
300 West Main Street
Henderson, TX 75652

Grantee: Henderson Economic Development Corporation

Grantee's Mailing Address:

Henderson Economic Development Corporation
300 West Main St.
Henderson, TX 75652

Consideration:

Grantor's intention to make a gift as a charitable contribution under applicable tax laws and regulations.

Property (including any improvements):

All of that certain tract or tracts of land depicted in the plat attached hereto as Exhibit A and more particularly described below:

0.45 of an acre being a portion of the existing Frisco Street right-of-way as shown on a plat labeled as RE-PLAT NO. 1 HEDCO-FRISCO STREET SUBDIVISION (Plat) dated 11/29/22 and recorded in Volume 3894 Page 711 of the Official Public Records of Rusk County, Texas (OPRRC) attached hereto as Exhibit "A" and being out of a called 0.320 of an acre as conveyed to the City of Henderson by Timothy Gary Ashmore and wife, Mona Fears Ashmore in a Special Warranty Deed dated June 17, 2021 and recorded in Volume 3785 Page 439 of the OPRRC, situated in the J B. Reed Survey A-678 on Frisco Street within the corporate limits of the City of Henderson, Texas and being more particularly described by metes and bounds as follows:

BEGINNING an existing ½ " iron rod, found marking the Southeast corner of Lot 4 common with the Northeast corner of Lot 2 Block 1050 both as shown on said Plat and being in the existing Western right-of-way line (ROWL) of said Frisco Street: said ½" iron rod having a Texas State Plane NCZ NAD 27 coordinate value of Northing 189859. 76 feet and an Easting of 2827070.95 feet;

THENCE with the recognized and occupied Western ROWL of said Frisco Street as follows

along a curve to the left, having a radius of 478.37 feet, 160.21 feet along said curve having a chord direction of South 19° 41' 20" East and a chord length of 159.46 feet to a ½" iron rod, set (all iron rods set w/cap "DDMBOUNDARY") in the West boundary line of said 0.320 of an acre, and

continuing across said 0. 320 of an acre along a curve to the left, having a radius of 1086. 25 feet, 89.40 feet along said curve, having a chord direction of South 32° 47' 43" East and a chord length of 89.37 feet to a ½" iron rod set in the South boundary line of said 0.320 of an acre, and

South 39° 28' 43" East a distance of 150. 61 feet to an existing ½" iron rod, found in the existing Western ROWL of said Frisco Street and being in the North boundary line of Lot 3 block 1050 as shown on said Plat;

THENCE with the North boundary line of said Lot 3 common with the Southern ROWL of said Frisco Street as shown on said Plat as follows:

along a curve to the left, having a radius of 165. 78 feet, 113.10 feet along said curve, having a chord direction of North 60° 59' 41" West, and a chord length of 110.92 feet to an existing ½ " iron rod, found in same, said ½ " iron rod having a Texas State Plane NCZ NAD27 coordinate value of Northing 189572.03 feet and an Easting of 2827171.84 feet and

North 89° 20' 15" West a distance of 117. 46 feet to an existing ½" iron rod, found marking an inside ell corner of said lot 3 and being at the most southerly Southwest of said Frisco Street ROW as shown on said Plat: said ½" iron rod having a Texas State Plane NCZ NAD27 coordinate value of Northing 189573.39 feet and an Easting of 2827054.38 feet; and

THENCE with the East boundary line of said Lot 3 common with the West ROWL of said Frisco

Street as shown on said Plat North 04° 17' 25" East a distance of 108.21 feet to an existing ½" iron rod, found marking the Northeast corner of said Lot 3 and being common with the Southeast corner of said Lot 2: said ½" iron rod having a Texas State Plane NCZ NAD27 coordinate value of Northing 189681. 30 feet and an Easting of 2827062.48 feet;

THENCE with the East boundary line of said Lot 2 common with the West ROWL of said Frisco

Street as shown on said Plat as follows:

North 04° 17' 25" East a distance of 142.34 feet to an existing ½" iron rod, and
North 03° 24' 25" West a distance of 36.59 feet to the BEGINNING CONTAINING
0.45 of an acre.

Reservations from Conveyance:

None

Exceptions to Conveyance and Warranty:

None

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance, grants, gives, donates and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever

When the context requires, singular nouns and pronouns include the plural.

John W. Fullen, Mayor
City of Henderson

ATTEST:

Cheryl Jimerson, City Secretary
City of Henderson

STATE OF TEXAS §
 §
COUNTY OF RUSK §

This instrument was acknowledged before me on June _____, 2023, by John W. Fullen, Mayor of the City of Henderson.

Notary Public, State of Texas

GENERAL NOTES

- 1) VOLUME AND PAGE references shown hereon are to the Deed Records of Rusk County, Texas (DRRC), the Land Records of Rusk County, Texas (LRRR) or the Official Public Records of Rusk County, Texas (OPRR).
- 2) REFERENCES cited hereon are to record instruments defining the location of adjoining boundaries and the names appearing with such do not necessarily reflect current ownership.
- 3) DIRECTIONAL CONTROL based on Control Monuments.
- 4) LINEAR dimensions are in feet unless otherwise noted.
- 5) See legal description dated 06/26/2016.
- 6) DEED call shown in [] .
- 7) ○ Denotes 1/2" iron rod, SET, unless otherwise noted.
- 8) ● Denotes 1/2" iron rod, FOUND, unless otherwise noted.
- 9) Every Document of record reviewed and considered as a part of this survey is noted hereon. Only the documents noted hereon were supplied the surveyor. No abstract of title, nor title commitment, nor results of title searches were furnished the surveyor. There may exist other documents of record that would affect these parcels.

Exhibit "A"

0 50' 100'

Scale - 1"=50'

I, D. Dwayne Miley, Registered Professional Land Surveyor, Rusk County, Texas, do hereby certify that this plat represents the results of a survey completed on the ground by me in June 2016.

D. Dwayne Miley, R.P.L.S.

No. 4164

J. B. Reed Survey A-678

Rusk County, Texas



LOT 4
2.00 ACRES

POB-0.45 of an acre
Found 1/2" IR
NORTH: 189859.76
EAST: 2827070.95

RE-PLAT NO. 1
HEDCO-FRISCO STREET
SUBDIVISION
VOLUME 3894 PAGE 711
OPRR

LOT 2, BLOCK 1050
8.01 ACRES

Found 1/2" IR
NORTH: 189681.30
EAST: 2827062.48

N04° 17' 25"E
108.21'

LOT 3 BLOCK 1050
15.90 ACRES

Found 1/2" IR
NORTH: 189573.39
EAST: 2827054.38

Found 1/2" IR
NORTH: 189572.03
EAST: 2827171.84

Curve Table

Curve #	Length	Radius	Chord Direction	Chord Length
C20	160.21	478.37	S19° 41' 20"E	159.46
C21	89.40	1086.25	S32° 47' 43"E	89.37
C22	113.10	165.78	N60° 59' 41"W	110.92

0.45 of an Acre

N89° 20' 15"W
117.46'

DRAWN BY: ceaser

DATE: 06/14/2023

DWG. NO.: 20160904 ELM-ROW

APPROVED BY:

Data Entered:

Calc Checked:

Corners Chk:

Revisions:

Deed Res:

GIS enter:

DBASE Ent:

DDM Surveying, Inc.

P.O. Box 895
Henderson, Texas

(903) 657-6229
Fax (903) 657-8117

SHT. NAME

A Survey for
HEDCO
Frisco Street
Henderson, Texas

SHT. NO.

1
of
3

Page 40 of 189



DDM, Surveying, Inc.

June 14, 2023
HEDCO
0.45 of an Acre

0.45 of an acre being a portion of the existing Frisco Street right-of-way as shown on a plat labeled as RE-PLAT NO. 1 HEDCO-FRISCO STREET SUBDIVISION (Plat) dated 11/29/22 and recorded in Volume 3894 Page 711 of the Official Public Records of Rusk County, Texas (OPRRC) and being out of a called 0.320 of an acre as conveyed to the City of Henderson by Timothy Gary Ashmore and wife, Mona Fears Ashmore in a Special Warranty Deed dated June 17, 2021 and recorded in Volume 3785 Page 439 of the OPRRC, situated in the J. B. Reed Survey A-678 on Frisco Street within the corporate limits of the City of Henderson, Texas and being more particularly described by metes and bounds as follows:

BEGINNING an existing ½" iron rod, found marking the Southeast corner of Lot 4 common with the Northeast corner of Lot 2 Block 1050 both as shown on said Plat and being in the existing Western right-of-way line (ROWL) of said Frisco Street: said ½" iron rod having a Texas State Plane NCZ NAD27 coordinate value of Northing 189859.76 feet and an Easting of 2827070.95 feet;

THENCE with the recognized and occupied Western ROWL of said Frisco Street as follows:

along a curve to the left, having a radius of 478.37 feet, 160.21 feet along said curve having a chord direction of South 19° 41' 20" East and a chord length of 159.46 feet to a ½" iron rod, set (all iron rods set w/cap "DDMBOUNDARY") in the West boundary line of said 0.320 of an acre, and

continuing across said 0.320 of an acre along a curve to the left, having a radius of 1086.25 feet, 89.40 feet along said curve, having a chord direction of South 32° 47' 43" East and a chord length of 89.37 feet to a ½" iron rod set in the South boundary line of said 0.320 of an acre, and

South 39° 28' 43" East a distance of 150.61 feet to an existing ½" iron rod, found in the existing Western ROWL of said Frisco Street and being in the North boundary line of Lot 3 block 1050 as shown on said Plat;

THENCE with the North boundary line of said Lot 3 common with the Southern ROWL of said Frisco Street as shown on said Plat as follows:

along a curve to the left, having a radius of 165.78 feet, 113.10 feet along said curve, having a chord direction of North 60° 59' 41" West, and a chord length of 110.92 feet to an existing ½" iron rod, found in same, said ½" iron rod having a Texas State Plane NCZ NAD27 coordinate value of Northing 189572.03 feet and an Easting of 2827171.84 feet and

North 89° 20' 15" West a distance of 117.46 feet to an existing ½" iron rod, found marking an inside ell corner of said lot 3 and being at the most southerly Southwest of said Frisco Street ROW as shown on said Plat: said ½" iron rod having a Texas State Plane NCZ NAD27 coordinate value of Northing 189573.39 feet and an Easting of 2827054.38 feet;

THENCE with the East boundary line of said Lot 3 common with the West ROWL of said Frisco Street as shown on said Plat North 04° 17' 25" East a distance of 108.21 feet to an existing ½" iron rod, found marking the Northeast corner of said Lot 3 and being common with the Southeast corner of said Lot 2: said ½" iron rod having a Texas State Plane NCZ NAD27 coordinate value of Northing 189681.30 feet and an Easting of 2827062.48 feet;

THENCE with the East boundary line of said Lot 2 common with the West ROWL of said Frisco Street as shown on said Plat as follows:

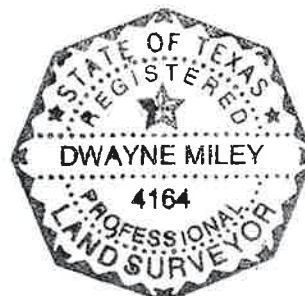
North 04° 17' 25" East a distance of 142.34 feet to an existing ½" iron rod, and

North 03° 24' 25" West a distance of 36.59 feet to the BEGINNING CONTAINING 0.45 of an acre.

I, D. Dwayne Miley, Registered Professional Land Surveyor, No. 4164-Texas, do hereby certify that this description represents the results of a survey completed on the ground under my supervision in June, 2023. See plat dated 6/14/2023.

F:\2016\20160904 - HEDCO\0.45AC.dwt


Dwayne Miley, R.P.L.S.





City Council

Agenda Item # 7.

SUBJECT: Consideration and action upon the second reading of Ordinance 2023-04-05 renaming Pope Street to Bob Allen Way. (Hughes/McElfresh)

MEETING DATE: June 20, 2023

DEPARTMENT: Community Development

CONTACT: Billy Hughes, P & Z Coordinator

RECOMMENDED CITY COUNCIL ACTION: Staff recommends that Council approve the second reading of the ordinance that will change the name of Pope Street to Bob Allen Way to honor the memory of Mr. Bob Allen.

ITEM SUMMARY: Bob Allen, owner of Bob's Bar-B-Que, located at 1205 Pope Street, has been in business for 42 years in Henderson. The Allen family and the residents of the community feel that changing the name of Pope Street to Bob Allen Way is an appropriate way to honor the legacy of this restaurant, business person and civic leader.

BACKGROUND INFORMATION: Our staff contacted the Rusk County Historical Commission and requested that they look into the historical significance of Pope Street. Mrs. Joan Smith, with the help of Mrs. Betty Elder, informed us that Pope Street was named after O.L. Pope, a black businessman who owned many properties in Henderson, including a store on Sand Street. Mr. Pope and his descendants have all been deceased for many years. While doing her research, Mrs. Smith said everyone she talked to had no objections to the street name change and thought this would be an appropriate way to honor Mr. Allen.

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. 2023-05-05 Bob Allen Way ST Name Change

ORDINANCE NO. 2023-05-05

**AN ORDINANCE RENAMING POPE STREET TO BOB ALLEN WAY;
REPEALING ALL ORDINANCES INCONSISTENT HERewith;
PROVIDING FOR SEVERABILITY; PROVIDING FOR ADOPTION
AT AN OPEN MEETING; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, Pope Street runs through the community of Henderson, Rusk County, Texas, and acts as a thoroughfare from commercial highways to a famous eatery recognized by Texas Monthly magazine regularly as one of the best Bar-B-Que Restaurants in Texas;

WHEREAS, Pope Street has been the long time location in the community for this well known restaurant, it is an appropriate roadway to honor the memory of an historic figure in Rusk County history, Mr. Bob Allen, Pitmaster of Bob's Bar-B-Que;

WHEREAS, Pope Street is an appropriate roadway certain to be maintained as a monument to the historic Texas Bar-B-Que Pitmaster, successful Businessman and longtime Civic Leader, Mr. Bob Allen;

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

SECTION 1: Renamed Street.

The entire length of Pope Street, from U.S. Highway 79 N to Paige Street is hereby renamed Bob Allen Way.

SECTION 2: Posting of Signage.

That a posting of signage designating "Bob Allen Way" shall be prominently placed identifying the renamed street.

SECTION 3: Repealer.

All ordinances or parts of ordinances inconsistent with the terms of this Ordinance are hereby repealed, provided, however, that such repeal shall be only to the extent of such inconsistency and, in all other respects, the subject matter covered by this Ordinance shall continue to be in effect.

SECTION 4: Severability.

If any provision, exception, section, subsection, paragraph, sentence, clause or phrase of the Ordinance or the application of same to any person or set of circumstances shall for any reason be held unconstitutional, void or invalid, such invalidity shall not affect the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances and, to this end, all provisions of this Ordinance are declared to be severable.

SECTION 5: Open Meeting.

It is hereby found that this Ordinance was adopted at an Open Meeting as required by law.

SECTION 6: Effective Date.

This Ordinance shall take effect on the final reading.

CONSIDERATION of this first reading on the 16th day of May, 2023.

PASSED, APPROVED, AND ADOPTED with this second reading on the 20th day of June, 2023.

J. W. Fullen, Mayor
City of Henderson, Texas

Cheryl Jimerson, City Secretary
City of Henderson, Texas



City Council

Agenda Item # 8.

SUBJECT: Consideration and possible action upon Resolution 2023-06-01 establishing the City of Henderson Property Assessed Clean Energy (PACE) Program. (Jimerson/Abercrombie)

MEETING DATE: June 20, 2023

DEPARTMENT: City Secretary

CONTACT:

RECOMMENDED CITY COUNCIL ACTION: Staff recommends Council approve Resolution 2023-06-01 to establish the PACE program for the City of Henderson.

ITEM SUMMARY: This resolution references the report and exhibits for the PACE program.

BACKGROUND INFORMATION: • Here is the list of local governments Texas PACE Authority (TPA) serves: <https://www.texaspaceauthority.org/service-areas>. Each has its own web page. Texas PACE Authority is a 501(c)(3) nonprofit that administers PACE programs as a public service and at no cost to local government and with no impact on City resources.

CITIES THAT HAVE ADOPTED PACE PROGRAMS

Abilene, Alamo Heights, Amarillo, Anna, Balcones Heights, Boerne, Borger, Cameron, Castle Hills, Commerce, Corinth, Dallas, Eagle Pass, El Campo, Farmers Branch, Fredericksburg, Freeport, Gainesville, Hondo, Houston, Jacinto City, Johnson City, Laredo, Leon Valley, Live Oak, Lubbock, Mabank, Panhandle, Paris, Poteet, Port Lavaca, Princeton, Prosper, Red Oak, Rockdale, Rowlett

San Antonio Snyder Tulia Universal City Victoria Wharton

- Here is the list of PACE projects so you can see the variety: <https://www.texaspaceauthority.org/project-list>.
- A "PACE for Local Governments" flyer and flyers for various sectors of the economy are here: <https://www.texaspaceauthority.org/resources/educational-flyers>.

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. 2023-06-01 Henderson Res to Establish a PACE program
2. 2023-06-01a Exhibits for Pace Program

CITY OF HENDERSON CITY COUNCIL
RESOLUTION 2023-06-01
ESTABLISHING THE CITY OF HENDERSON PACE PROGRAM

STATE OF TEXAS §
 §
CITY OF HENDERSON §

WHEREAS, the 83rd Regular Session of the Texas Legislature enacted the Property Assessed Clean Energy Act, Texas Local Government Code Chapter 399 (the “PACE Act”), which allows the governing body of a local government, including a City or County, to designate an area of the territory of the local government as a region within which an authorized representative of a local government and the record owners of commercial, industrial, and large multifamily residential (5 or more dwelling units) real property may enter into written contracts to impose assessments on the property to repay the financing by the owners of permanent improvements fixed to the property intended to decrease energy or water consumption or demand;

WHEREAS, the installation or modification by property owners of qualified energy or water saving improvements to commercial, industrial, and large multifamily residential real property in the City will further the goals of energy and water conservation without cost to the public;

WHEREAS, the City Council finds that third-party financing of energy and water conserving projects through contractual assessments maintained by the City (“PACE financing”) furthers essential government purposes, including but not limited to, economic development, reducing energy consumption and costs, conserving water resources, and reducing greenhouse gas emissions;

WHEREAS, the City Council adopted a Resolution of Intent to establish a PACE program for the City on May 16, 2023 including a reference to the report on the proposed program prepared as required by Section 399.009 of the PACE Act and made the report available to the public on the City’s website and for inspection in the City Manager’s Office;

WHEREAS, the City Council finds that the administration of the PACE program by a qualified non-profit organization as an independent third-party Authorized Representative contracted by the City and compensated by application and administration fees paid by the participating property owners, will enable the program to be administered without use of City resources, will assure the objectives of impartiality and confidentiality of owner information, and will be convenient and advantageous to the City and

WHEREAS, the City Council also finds that because no City funds will be expended for PACE financing of the Authorized Representative’s services, the selection of such an independent third-party Authorized Representative is not subject to the Professional Services Procurement Act or other City purchasing requirements; and

WHEREAS, the City Council held a public hearing on June 20, 2023 at 6:00 pm at City Hall, 300 West Main Street, Henderson, Texas, at which the public hearing could comment on the proposed program, including the report available for public inspection as mentioned above and as required by Section 399.008(a)(2):

NOW THEREFORE, be it resolved by the City Council of the City of Henderson that:

1. Recitals. The recitals to this Resolution are true and correct and are incorporated into this resolution for all purposes.
2. Establishment of Program. The City hereby adopts this Resolution Establishing the City of Henderson Property Assessed Clean Energy Program (“The City of Henderson PACE”), herein called “the Program,” and finds that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose and is convenient and advantageous to the City and its citizens.
3. Contractual Assessments. The City will, at the property owner’s request, impose contractual assessments on the property to repay PACE financing for qualified energy and water conserving projects available to owners of privately owned commercial, industrial, and large multifamily property.
4. Qualified Projects. The following types of projects are qualified projects for PACE financing that may be subject to such contractual assessments:

Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, or residential real property with five (5) or more dwelling units, and (b) are intended to decrease energy or water consumption or demand, including a product, device, or interacting group of products or devices on the customer’s side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.

An assessment may not be imposed to repay the financing of facilities for undeveloped lots or lots undergoing development at the time of the assessment or the purchase or installation of products or devices not permanently fixed to real property.

5. Region. The entire geographic area within the City’s jurisdictional boundaries is included in the region where PACE financing and assessments can occur
6. Third- Party Financing. Financing for qualified projects under the Program will be provided by qualified third-party lenders chosen by the owners. Such lenders will execute written contracts with the Authorized Representative to service the debt through assessments, as required by the PACE Act. The contracts will provide for the lenders to determine the financial ability of owners to fulfill the financial obligations to be repaid through assessments, advance the funds to owners on such terms as are agreed between the lenders and the owners for the installation or modification of qualified projects, and service the debt secured by the assessments, directly or through a servicer, by collecting payments from the owners pursuant to financing documents executed between the lenders and the owners. The City will maintain and continue the assessments for the benefit of such lenders and will enforce the assessment lien for the benefit of a lender in the event of a default by an owner. The City will not, at this time, provide financing of any sort for the City of Henderson PACE program.
7. Authorized Representative. The City Council will designate Texas PACE Authority, a non-profit organization, to act as the Authorized Representative with authority to enter into written contracts with the record owners of real property in the City to impose assessments pursuant to the PACE Act to repay the financing of qualified projects on the owners’ property, to enter into written contracts with the parties that provide third-party financing for such projects to service the debts through assessments, and to file written

notice of each contractual assessment in the real property records of Rusk County, all on behalf of the City. The Authorized Representative may. make technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the statute. The City Manager or his designee will be the liaison with the Authorized Representative.

8. Enforcement. The City will enforce the collection of past due assessments and may contract with a qualified law firm to assist in collection efforts.
9. Report. The final report on the City PACE program, prepared in accordance with Section 399.009 of the Texas Local Government Code is attached and incorporated into this resolution. The City will post the resolution and report on the City's website.
10. Amendment of Program. The City Council may amend the City PACE Program by resolution. However, another public hearing is required before the Program may be amended to provide for City financing of qualified improvements through assessments.

Adopted this 20th day of June, 2023.

Honorable John Fullen, Mayor

Honorable Wes Breitenberg
Council Member, District 1

Honorable Michael Searcy
Council Member, District 2

Honorable Henry Pace
Mayor Pro Tem, Council Member, District 3

Honorable Melissa Morton
Commissioner, District 4

Honorable Gina Juarez
Council Member, District 5

[INSERT FINAL REPORT]

REPORT REQUIRED BY TEXAS LOCAL GOVERNMENT CODE SECTION 399.009
FOR PROPOSED PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM

This Report is adopted by the City Council for the City of Henderson, Texas (“**Local Government**”) Property Assessed Clean Energy (PACE) Program (**the “Program”**) in accordance with the requirements of the Property Assessed Clean Energy Act (**the “PACE Act”**) as set forth in Texas Local Government Code Chapter 399.

The Local Government and its constituents benefit when older existing buildings are modified with new technology and equipment that increases energy efficiency and reduces water consumption. As described in this Report, the Local Government is establishing the commercial PACE Program to encourage private sector investment in energy efficiency and water conservation. The PACE Program will be offered to property owners on a strictly voluntary basis and will not require the use of any public funds or resources.

Authorized under the PACE Act enacted in 2013, the PACE program is an innovative financing program that enables private sector owners of privately owned commercial, industrial, and multi-family residential properties with five or more dwelling units to obtain low-cost, long-term loans to pay for water conservation, energy-efficiency improvements, and renewable energy retrofits. PACE loans provide up to 100% financing of all project costs, with little or no up-front out-of-pocket cost to the owner. The Local Government has chosen to follow the administrative principles, program processes, and model documents of the uniform Texas PACE in a Box model program.¹

Loans made under the PACE Program will be secured by assessments on the property that are voluntarily imposed by the owner. Assessments may be amortized over the projected life of the improvements. The utility cost savings derived from improvements financed with PACE loans are expected to equal or exceed the amount of the assessment. In turn, these improvements are able to generate positive cash flow upon installation because the debt service will be less than the savings.

PACE assessments are tied to the property and follow title from one owner to the next. Each owner is responsible only for payment of the assessments accruing during its period of ownership. When the property is sold, the payment obligation for the remaining balance of the assessment is transferred automatically to the next owner. As a result, the program will help property owners overcome market barriers that often discourage investment in energy efficiency and water conservation improvements.

¹ <https://www.keepingpaceintexas.org/pace-in-a-box>

1. Eligible Properties

The Local Government's PACE program is a strictly voluntary program. All private sector owners of Eligible Properties located within the Local Government's PACE region may participate in PACE financing. ***"Eligible Properties"*** include commercial, industrial, and multi-family residential properties with five or more dwelling units. Government, residential², and undeveloped property and property undergoing development at the time of the assessment are not Eligible Properties.

2. Qualified Improvements

PACE financing may be used to pay for Qualified Improvements to Eligible Properties. ***"Qualified Improvements"*** are permanent improvements intended to decrease water or energy consumption or demand, including a product, device, or interacting group of products or devices on the customer's side of the meter that use energy technology to generate electricity, provide thermal energy, or regulate temperature. Under the PACE Act, products or devices that are not permanently fixed to real property are not considered to be Qualified Improvements.

The following items may constitute Qualified Improvements:

- High efficiency heating, ventilating and air conditioning ("HVAC") systems
- High efficiency chillers, boilers, and furnaces
- High efficiency water heating systems
- Energy management systems and controls
- Distributed generation systems
- High efficiency lighting system upgrades
- Building enclosure and envelope improvements
- Water conservation and wastewater recovery and reuse systems
- Combustion and burner upgrades
- Heat recovery and steam traps
- Water management systems and controls (indoor and outdoor)
- High efficiency irrigation equipment

3. Benefits of PACE to Property Owners

The PACE program will enable owners of Eligible Properties to overcome traditional barriers to capital investments in energy efficiency and water conservation improvements, such as unattractive returns on investment, split incentives between landlords and tenants, and uncertainty of recouping the investment upon sale of the property.

By financing Qualified Improvements through the program, property owners may achieve utility cost savings that exceed the amount of the assessment and reduce their exposure to utility price volatility. As a result, the value of the property will be enhanced, and the owner will only be obligated to pay the assessment installments that accrue during its period of ownership of the property. Additionally, by investing in energy efficiency and water conservation with PACE

² This encompasses single family residential and any multi-family properties with fewer than five units.

financing, property owners may also qualify for various rebate, tax credit, and incentive programs offered by utility providers and state or federal governmental authorities to encourage these types of investments.

4. Benefits of PACE to the Local Government

Among other things, projects financed through PACE will:

- Enable property owners and occupants to save substantial amounts in utility costs,
- Reduce demand on the electricity grid
- Mitigate greenhouse gas emissions associated with energy generation
- Enhance the value and efficiency of existing buildings
- Boost the local economy by creating new job opportunities and new business opportunities for contractors, engineers, commercial lenders, professionals, and equipment vendors and manufactures
- Increase business retention and expansion in the PACE region by enabling cost effective energy and water saving updates to existing property
- Improve productivity through optimized energy usage
- Support the State's water conservation plan
- Better enable the Local Government to meet its water conservation goals

Finally, through the reduction in energy consumption as a result of the PACE program, there will be a decreased demand for power resulting in lower emissions from power plants. EPA regulations have significant impacts on air quality standards in Texas. Being non-attainment for priority pollutants in the Clean Air Act endangers federal transportation funding.

The PACE program requires minimal support from the Local Government. It is designed to be self-sustaining. Furthermore, because the PACE program is tax neutral, it achieves all of the benefits listed in this Report without imposing a burden on the Local Government's general fund.

The 84th Texas Legislature added a provision that explicitly shields the Local Government and its employees, members of the governing body of a local government, employees of a local government, and board members, executives, employees, and contractors of a third party who enter into a contract with a local government to provide administrative services for a program under this chapter.³

5. The Benefits of PACE to Lenders

PACE loans are attractive to lenders because they are very secure investments. Like a property tax lien, the assessment lien securing the PACE loan has priority over other liens on the property. Therefore, the risk of loss from non-payment of a PACE loan is low compared to most other types of loans. PACE assessments provide lenders with an attractive new product to assist

³ TX. Local Gov't Code §399.019. In the 85th legislature, HB 2654 clarified that the personal immunity provisions apply to all elected officials performing rights and duties under chapter 399 of the Local Government Code.

existing and new customers in addressing an almost universal pent-up demand for needed commercial and industrial property equipment modernization. In order to protect the interests of holders of existing mortgage loans on the property, the PACE Act requires their written consent to the PACE assessment as a condition to obtaining a PACE loan.

6. The Benefits of PACE to Contractors, Engineers, and Manufacturers

PACE loans provide attractive sources of financing for water and energy saving retrofits and upgrades, thereby encouraging property owners to make substantial investments in existing commercial and industrial buildings. As a result, PACE will unlock business opportunities for contractors, engineers, and manufacturers throughout the commercial and industrial sectors.

7. Administration of the Local Government PACE Program

Under the PACE Act, the establishment and operation of the program are considered to be governmental functions.⁴ The PACE Act further authorizes the Local Government to enter into a contract with a third party to provide administrative services for the PACE program (the “*Authorized Representative*”). The Local Government will delegate administration of the PACE program to Texas PACE Authority, a qualified, non-profit organization that can administer the program at no cost to the Local Government.

The Authorized Representative’s role is to serve as an extension of the local government staff to provide oversight of the program to ensure best practices and consumer protections at the lowest possible cost to the property owner in a transparent and ethical manner and to provide education and outreach.

The Authorized Representative will be funded by administrative fees paid by the property owners establishing a PACE project, charitable grants or other authorized sources of revenue. The Authorized Representative will not receive compensation or reimbursement from the Local Government.

8. Eligible Lenders

The PACE Act does not set criteria for financial institutions or investors to be PACE lenders. The Local Government will follow best practices of other PACE programs and the Texas PACE in a Box model program by recommending that lenders be:

- Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;
- Any insurance company authorized to conduct business in one or more states;
- Any registered investment company, registered business development company, or a Small Business Administration small business investment company;
- Any publicly traded entity; or
- Any private entity that:
 - Has a minimum net worth of \$5 million; and

⁴ TX Local Government Code §399.003(b)

- Has at least three years' experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has at least three years' experience in business or industrial lending or commercial real estate lending; and
- Can provide independent certification as to availability of funds; and
- All lenders must have the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts.

Any lender can participate in the PACE program as long as it is a financially stable entity with the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts. The property owner, not the Local Government or the Authorized Representative, selects the lender.

The Authorized Representative will not guarantee or imply that funding will automatically be provided from a third-party lender, imply or create any endorsement of, or responsibility for, any lender; or create any type of express or implied favoritism for any eligible lender.

9. Components of the PACE Program

As required under Section 399.009 of the PACE Act, the following describes all aspects of the PACE Program:

- a. Map of Region. A map of the boundaries of the region included in the program is attached to this Report as Exhibit 1. The region encompasses the Local Government limits.
- b. Form Contract with Owner. A form contract between the Local Government and the record owner of the Eligible Property is attached as Exhibit 2. It specifies the terms of the assessment under the PACE program and the financing to be provided by an Eligible Lender of the property owner's choosing.
- c. Form Contract with Lender. A form contract between the Local Government and the Eligible Lender chosen by a property owner is attached to this Report as Exhibit 3. It specifies the financing and servicing of the debt through assessments.

Form Notice of Contractual Assessment Lien. A form Notice of Assessment Lien to be filed by the Local Government with the County Clerk is attached to this Report as Exhibit 4.

- d. Qualified Improvement. The following types of projects are qualified improvements that may be subject to contractual assessments under the PACE program:

Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial,

industrial or residential real property with five (5) or more dwelling units;⁵ and (b) are intended to decrease energy or water consumption or demand by installing a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.⁶

A sample list of potential Qualified Improvements appears in Section 2 above.

The PACE program may not be used to finance improvements to undeveloped lots or lots undergoing development at the time of the assessment, or for the purchase or installation of products or devices not permanently fixed to real property.⁷

- e. Authorized Representative. HB 3187 was signed into law on June 16, 2015. It authorizes the Local Government to delegate administration of the PACE program to a third-party "Authorized Representative." The Local Government may delegate all official administrative responsibilities, such as the execution of individual contracts with property owners and lenders, to an Authorized Representative. This relationship will be monitored and maintained by the [County Judge/City Manager] or [his/her] designee.
- f. Project Review. Track and provide a public overview with savings metrics for all PACE projects
- g. Plans for Insuring Sufficient Capital⁸. Lenders will extend loans to finance Qualified Improvements. Financing documents executed between owners and lenders will impose a contractual assessment on Eligible Property to repay the owner's financing of the Qualified Improvements. The lenders will ensure that property owners demonstrate the financial ability to fulfill the financial obligations to be repaid through contractual assessments.
- h. No Use of Bonds or Public Funds. The Local Government does not intend to issue bonds or use any other public monies to fund PACE projects. Property owners will obtain all financing from the Eligible Lenders they choose.
- i. Limit on Length of Loan. One of the statutory criteria of a PACE loan is that the assessment payment period cannot exceed the useful life of the Qualified Improvement that is the basis for the loan and assessment. As part of the application process, the property owners will submit an independent third-party review prepared by a licensed engineer showing the water or energy baseline

⁵ TX. Local Gov't Code §399.002(5).

⁶ TX. Local Gov't Code §399.002(3).

⁷ TX. Local Gov't Code §399.004.

⁸ The Texas PACE Authority's website (www.texaspaceauthority.org) offers a non-exhaustive list of interested and qualified lenders to assist property owners in funding PACE projects in Texas.

conditions and the projected water or energy savings. This review will aid the Authorized Representative in making a determination that the period of the requested assessment does not exceed the useful life of the Qualified Improvement.

- j. Application Process. The Authorized Representative will accept applications from property owners seeking to finance Qualified Improvements under the program. Each application must be accompanied by the required application fee and must include:
- (1) A description of the specific Qualified Improvements to be installed or modified on the property,
 - (2) A description of the specific real property to which the Qualified Improvements will be permanently fixed, and
 - (3) The total amount of financing, including any transaction costs, to be repaid through assessments.

Based on this information, the Authorized Representative may issue a preliminary letter indicating that, subject to verification of all requirements at closing, the proposed project appears to meet program requirements. Based on this preliminary letter, the property owner may initiate an independent third-party review of the project and submit the project to Eligible Lenders for approval of financing.

Once the above processes are completed, the property owner will submit the application to the Authorized Representative to obtain preliminary approval. The property owner is expected to produce the following documentation prior to closing on the PACE loan:

- (1) A Report conducted by a qualified, independent third-party reviewer, showing water or energy baseline conditions and the projected water or energy savings, or the amount of renewable energy generated attributable to the project;
 - (2) Such financial information about the owner and the property as the lender chosen by the owner deems necessary to determine that the owner has demonstrated the financial ability to fulfill the financial obligations to be paid through assessments; and
 - (3) All other information required by the Authorized Representative.
- k. Financial Eligibility Requirements. The Authorized Representative will determine whether the owner, the property and the improvements are eligible for financing under the program. The Eligible Lender chosen by the owner will determine whether the owner has demonstrated the financial ability to repay the financial obligations to be collected through contractual assessments. The statutory method⁹ for ensuring such a demonstration of financial ability must be based on appropriate underwriting factors, including the following:

⁹ TX. Local Gov't Code §399.009(b).

- (1) verification that the person requesting to participate in the program is the legal record owner of the benefitted property,
- (2) the applicant is current on mortgage and property tax payments,
- (3) the applicant is not insolvent or in bankruptcy proceedings,
- (4) the title of the benefitted property is not in dispute; and
- (5) there is an appropriate ratio of the amount of the assessment to the assessed value of the property. The Local Government determines that it will follow the Texas PACE in a Box model program recommendation for determining the appropriate loan to assessed value of the property.

The Local Government determines to be eligible for PACE financing, the projected savings derived from the Qualified Improvement must be greater than the cost of the PACE assessment and lien over the life of the assessment (i.e., the Savings to Investment Ratio (SIR) should be greater than one, $SIR > 1$). A third-party lender and a for profit-property owner may request a waiver in writing for a project with an $SIR < 1$ and address the interests of tenants and future property owners. The Authorized Representative may consider factors in a variance request including:

- (a). Are there other environmental benefits such as air or water quality or resiliency that are not captured in the SIR analysis;
- (b) Will the proposed qualifying improvements generate environmental marketable credits that can be monetized?
- (c). What is the SIR calculation for the project (how far below 1?);
- (d). If the SIR is < 1 over the term of the assessment, is the $SIR > 1$ over the useful life of the equipment?
- (e). What is the impact of a variance request on affected third parties? and
- (f) Other information the owner and lender wish to submit regarding the impact of the qualified improvements on the company and the community.

l. Mortgage Holder Notice and Consent. As a condition to the execution of a written contract between the Authorized Representative and the property owner imposing an assessment under the program, the holder of any mortgage lien on the property must be given notice of the owner's intention to participate in the program on or before the 30th day before the date the contract is executed, and the owner must obtain the written consent of all mortgage holders.¹⁰

m. Imposition of Assessment. The Authorized Representative will enter into a written contract with the property owner, only after:

- (1) The property owner delivers to the Authorized Representative written consent of all mortgage lien holders;
- (2) The Authorized Representative's determination that the owner and the property are eligible to participate in the program, that the proposed improvements are reasonably likely to decrease energy or water

¹⁰ TX. Local Gov't Code §399.010.

consumption or demand, and that the period of the requested assessment does not exceed the useful life of the Qualified Improvements; and
(3) The Eligible Lender notifies the Authorized Representative that the owner has demonstrated the financial ability to fulfill the financial obligations to be repaid through contractual assessments.

The contract will impose a contractual assessment on the owner's Eligible Property to repay the lender's financing of the Qualified Improvements. The Authorized Representative will file "A Notice of Contractual Assessment Lien," in substantially the form in Exhibit 4 in the Official Public Records of the County in which the property is located, as notice to the public of the assessment, from the date of filing. The contract and the notice must contain the amount of the assessment, the legal description of the property, the name of the property owner, and a reference to the statutory assessment lien provided under the PACE Act.

- n. Collection of Assessments. The execution of the written contract between the Local Government and the property owner and recording of the Notice of Contractual Assessment Lien incorporate the terms of the financing documents executed between the property owner and with the lender to repay the financing secured by the assessment. The third-party lender will advance financing to the owner, and the terms for repayment will be such terms as are agreed between the lender and the owner. Under the form lender contract attached as Exhibit 3, the lender or a designated servicer will agree to service the debt secured by the assessment.

With funds from the lender, the property owner can purchase directly the equipment and materials for the Qualified Improvement and contract directly, including through lease, power purchase agreement, or other service contract, for the installation or modification of the Qualified Improvements. Alternatively, the lender may make progress payments to the property owner as the Qualified Improvement is installed.

The lender will receive the owner's assessment payments to repay the debt and remit to the Authorized Representative any administrative fees. The lender will have the right to assign or transfer the right to receive the installments of the debt secured by the assessment, provided all of the following conditions are met:

- (1) The assignment or transfer is made to an Eligible Lender, as defined above;
- (2) The property owner and the Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future installments should be mailed at least 30 days before the next installment is due according to the schedule for repayment of the debt; and
- (3) The assignee or transferee, by operation of the financing documents or otherwise, written evidence of which shall be provided, assumes lender's obligations under the lender contract.

- o. Verification Review. After a Qualified Improvement is completed, the Authorized Representative will require the property owner to provide verification by a qualified independent third-party reviewer that the Qualified Improvement was properly completed and is operating as intended.¹¹ The verification report conclusively establishes that the improvement is a Qualified Improvement and the project is qualified under the PACE program.¹²
- p. Marketing and Education Services. The Program Administrator will provide service provider training workshops for contractors, engineers, property managers and other stakeholders, provide outreach and education for all stakeholders including presentations, conference booths and individual meetings, and provide written and electronic materials such as case studies, flyers, and webinars.
- q. The Local Government may subsequently enter into agreements with one or more other local governments or non-profit organizations that promote energy and water conservation and/or economic development to provide marketing and education services for the PACE program.
- r. Quality Assurance and Antifraud Measures. The Authorized Representative will institute quality assurance and antifraud measures for the Program. The Authorized Representative will review each PACE application for completeness and supporting documents through independent review and verification procedures. The application and required attachments will identify and supply the information necessary to ensure that the property owner, the property itself, and the proposed project all satisfy PACE program underwriting and technical standard requirements. Measures will be put in place to provide safeguards, including a review of the energy and water savings baseline and certification of compliance with the technical standards manual from an independent third-party reviewer (ITPR), who must be a registered professional engineer, before the project can proceed. This review will include a site visit, report, and a letter from the ITPR certifying that he or she has no financial interest in the project and is an independent reviewer. After the construction of the project is complete, an ITPR will conduct a final site inspection and determine whether the project was completed and is operating properly. The reviewer's certification will also include a statement that the reviewer is qualified and has no financial interest in the project.
- s. Delinquency. Under the terms of the form lender contract attached as Exhibit 3, if a property owner fails to pay an agreed installment when due on the PACE assessment, the lender will agree to take at least the following steps to collect the delinquent installment:

¹¹ TX Local Gov't Code §399.011.

¹² TX Local Government Code §399.011(a-1)

- (1) Mail to the owner a written notice of delinquency and demand for payment by both certified mail (return receipt requested) and first-class mail, and
- (2) Mail to the owner a second notice of delinquency and demand for payment by both certified mail (return receipt requested) and first-class mail, at least 30 days after the date of the first notice if the delinquency is continuing.

If the owner fails to cure the delinquency within 30 days after mailing the second notice of delinquency, the lender may notify the Authorized Representative of the owner's default. Pursuant to Texas Local Government Code Section 399.014(c), the Authorized Representative will initiate steps for the Local Government to enforce the assessment lien in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, of the Texas Constitution. Delinquent installments will incur penalties and interest in the same manner and at the same rate as delinquent property taxes, according to Texas Local Government Code Section 399.014(d), and such statutory penalties and interest will be due to the Local Government to offset the cost of collection.

If the Local Government files suit to enforce collection, the Local Government may also recover costs and expenses, including attorney's fees, in a suit to collect a delinquent installment of an assessment in the same manner and at the same rate as in suit to collect a delinquent property tax. If a delinquent installment of an assessment is collected after the filing of a suit, the Local Government will remit to the lender the net amount of the delinquent installments and contractual interest collected and remit to the Authorized Representative the amount of any administrative fees collected but will retain any statutory penalties, interest, and attorney's fees collected.

EXHIBIT 1

MAP OF CITY OF HENDERSON PACE REGION

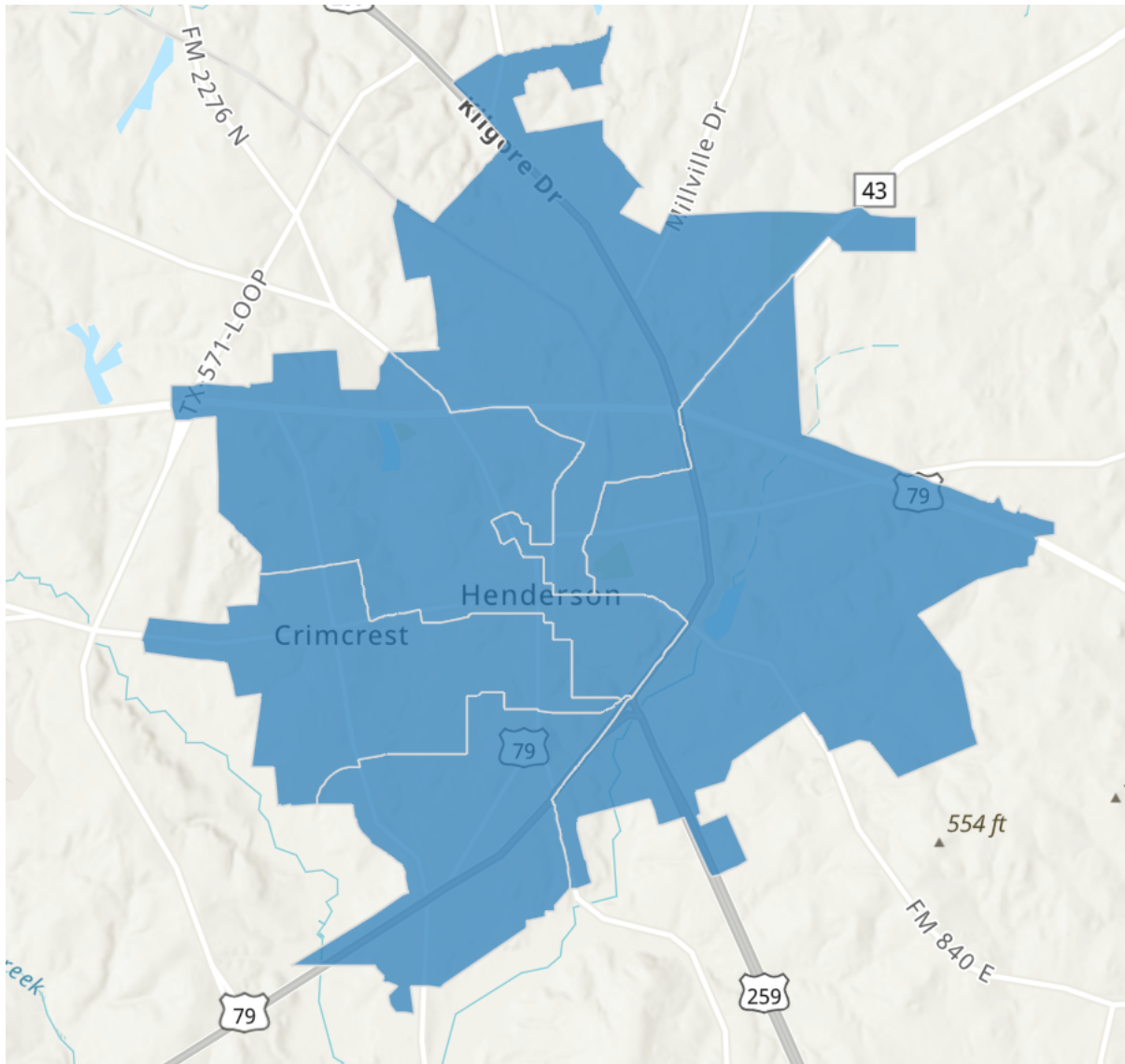


EXHIBIT 2
FORM OWNER CONTRACT

FORM PACE OWNER CONTRACT

THIS PROPERTY ASSESSED CLEAN ENERGY (“PACE”) OWNER CONTRACT including the attached exhibits (“**PACE Owner Contract**”) is made as of the _____ day of _____, _____ (“**Effective Date**”), by and between the City of Henderson, Texas (“**Local Government**”), and _____ (“**Property Owner**”). Local Government and Property Owner are hereafter referred to collectively as “the parties” or individually as “party.”

RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.

B. Local Government has established a program under the PACE Act pursuant to a resolution dated _____, adopted by the City Council (“**PACE Program**”), and has designated Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority as the representative of Local Government (“**Authorized Representative**”) authorized to enter into the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the boundaries of the City of Henderson, Texas jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owner’s property pursuant to the PACE Program.

C. Property Owner is the sole legal and record owner of the qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region located at _____, _____, Texas _____ - _____ (the “**Property**”) (the Property being more particularly described in the Notice of Contractual Assessment Lien, attached hereto as Exhibit A).

D. Pursuant to Project Application Number _____, Property Owner has applied to Local Government to participate in the PACE Program by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (“**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”). Property Owner has requested that Local Government enter into this PACE Owner Contract pursuant to the

PACE Act and the PACE Program and has requested Local Government to impose an assessment (the “**Assessment**”) on the Property as set forth in the Notice Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in the real property records of the county in which the Property is located (the “**Notice of Contractual Assessment Lien**”), to repay the financing of such Qualified Improvements. A copy of the Notice of Contractual Assessment Lien is attached hereto as Exhibit A and made a part hereof. The Property, Qualified Improvements and Assessment are more fully described in the Notice of Contractual Assessment Lien.

E. Financing for the Project (“**Financing**”) shall be provided to Property Owner by _____ (“**Lender**”), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by Section 399.006(c) of the PACE Act (the “**PACE Lender Contract**”). The financing includes only those costs and fees for which an assessment may be imposed under Section 399.006(e) of the PACE Act. Local Government has agreed to maintain and continue the Assessment for the benefit of Lender until the Financing, all contractual interest due to Lender (“**Contractual Interest**”), any prepayment penalty, and any penalties, interest, fees, and costs due under or authorized by the PACE Act are paid in full and to release the Assessment upon notice from Lender of such payment, or to foreclose the lien securing the Assessment for the benefit of Lender upon notice from Lender of a default in payment by Property Owner.

F. As required by Section 399.010 of the PACE Act, Property Owner represents and warrants that it has notified the holder(s) of any mortgage lien on the Property at least thirty (30) days prior to the Effective Date of this PACE Owner Contract of Property Owner’s intention to participate in the PACE Program. The written consent of each mortgage holder to the Assessment was obtained on or prior to the Effective Date of this PACE Owner Contract and is attached hereto as Exhibit B and made a part hereof (“**Lender Consent(s)**”).

AGREEMENT

The parties agree as follows:

1. Imposition of Assessment. In consideration for the Financing advanced or to be advanced to Property Owner by Lender for the Project under the PACE Program pursuant to the PACE Lender Contract, Property Owner hereby requests and agrees to the imposition by Local Government of the Assessment in the principal amount of \$_____, as set forth in the Notice of Contractual Assessment Lien. In the event the actual total of costs and fees for which an assessment may be imposed under the PACE Act is different from the stated amount or any other term requires correction, Authorized Representative on behalf of Local Government, Property Owner, and Lender agree to execute an amended Owner Contract and Lender Contract, and thereafter Authorized Representative shall record an amended Notice of Contractual Assessment Lien. The Assessment includes the application and administration fees authorized by the PACE Program and Section 399.006(e) of the PACE Act. Property Owner promises and agrees to pay the Assessment, Contractual Interest thereon, any prepayment penalty, and all penalties, interest, fees, attorney’s fees, and costs due under or authorized by the PACE Act and the financing documents executed between Property Owner and Lender (the “**Financing Documents**”) described in or copies of which are attached as Exhibit C attached hereto and made a part hereof

by reference. Property Owner shall pay such amount in care of or as directed by Lender, in satisfaction of the Assessment imposed pursuant to this PACE Owner Contract and the PACE Act. Accordingly, Local Government hereby imposes the Assessment on the Property to pay the Financing of the Project, Contractual Interest, any prepayment penalty, and any penalties, interest, fees and costs due under or authorized by the PACE Act and the Financing Documents, in accordance with the requirements of the PACE Program and the provisions of the PACE Act.

2. Maintenance and Enforcement of Assessment. In consideration for Lender's agreement to advance Financing to Property Owner for the Project pursuant to the Financing Documents, Local Government agrees to maintain and continue the Assessment on the Property for the benefit of Lender until the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees, attorney's fees, and costs, due under or authorized by the PACE Act, PACE Program, and the Financing Documents are paid in full, and to release the Assessment upon notice from Lender of such payment. Upon written request of Lender, and with the written consent of Property Owner, Authorized Representative on behalf of Local Government may execute a partial release of the assessment lien and record the partial release. Local Government agrees to enforce the assessment lien against the Property at the request of Lender in the event of a default in payment by Property Owner, in accordance with the provisions set forth in paragraph 5. Authorized Representative shall deliver an annual notice of assessment to Property Owner by first-class mail or electronic mail each year until the Assessment is released. Any failure of Local Government or Authorized Representative to deliver an annual notice of assessment to Property Owner shall not affect the Assessment or Property's Owner's obligations under this PACE Owner Contract.

3. Installments. The Assessment and Contractual Interest thereon are due and payable to Lender in installments ("**Installments**"), according to the payment schedule set forth in the Financing Documents attached hereto as Exhibit C. The Assessment includes (1) an application fee paid by Property Owner to Authorized Representative at closing of the Financing, and (2) a recurring administration fee paid by Property Owner to Authorized Representative until the Assessment is released. The recurring administration fee amount shall be collected by Lender and paid to Authorized Representative not later than thirty (30) days after receipt by Lender, unless otherwise agreed to in writing by Authorized Representative.

(a) Notwithstanding the foregoing, in the event of a delinquency in the payment of any Installment, Lender shall, upon notice to Authorized Representative, withhold payment of any administration fee due to Authorized Representative in connection with such Installment until the Installment is paid. Property Owner agrees that any such temporary withholding shall not reduce the amount of the administration fees included in the Assessment or due to Authorized Representative. The amounts due to Authorized Representative are identified in Exhibit C hereto.

(b) If this is a US Department of Housing and Urban Development ("**HUD**") assisted or a Federal Housing Administration ("**FHA**") insured Project, then the Financing Documents shall provide for Installments to be escrowed in a manner acceptable to HUD or FHA lender and paid to Lender.

(c) When the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees and costs due under or authorized by the PACE Act and the Financing Documents, have been paid in full, Local Government's rights under this PACE Owner Contract shall cease and terminate, except for rights under Sections 18, 20, 21 and 22. Upon notice from Lender that all amounts due have been paid in full, Authorized Representative on behalf of Local Government, shall execute a release of the Assessment and this PACE Owner Contract and record the release. As required by Section 399.009(a)(8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project.

4. Assignment of Right to Receive Installments or Require Enforcement of Lien. Property Owner acknowledges that Lender has the right, without the consent of Property Owner, to assign or transfer the right to receive the Installments or require Local Government to enforce the assessment lien in the event of a default in payment, together with all corresponding obligations, provided that all of the following conditions are met:

(a) The assignment or transfer is made to a qualified lender as defined in the PACE Lender Contract;

(b) Property Owner, Authorized Representative, the holder(s) of any mortgage lien on the Property, and HUD, if this is a HUD assisted or FHA insured Project are notified in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed not less than 30 days before the next Installment is due according to the payment schedule included in the Financing Documents, and

(c) The assignee or transferee executes a written assumption agreement according to the Financing Documents of all of Lender's rights and obligations under the PACE Lender Contract related to the receipt of the Installments or the enforcement of the assessment lien and provides a copy of such assumption to Property Owner and Authorized Representative not later than 10 days after execution of the agreement.

Lender may assign or transfer the right to receive the Installments or the right to require enforcement of the assessment lien separately. Upon written notice of an assignment or transfer that complies with all of the foregoing conditions, the assignor shall be released of all of the rights and obligations of the Lender under such PACE Lender Contract accruing after the effective date of the assignment that are specified in the assignment or transfer document, and all of such rights and obligations shall be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments or require enforcement of the Assessment lien that does not comply with all of the foregoing conditions is void. Lender shall retain all of the rights and obligations of Lender under the PACE Lender Contract until such rights and obligations are assigned or transferred according to this section.

5. Lien Priority and Enforcement. Pursuant to Sections 399.014 and 399.015 of the PACE Act:

(a) Delinquent Installments shall incur penalties and interest on the principal of the Installment in the same manner and in the same amount as delinquent property taxes, pursuant to the statutes in effect at the time of default. Under current statutes, a delinquent Installment incurs a penalty of 6% of the principal amount of the Installment for the first calendar month it is delinquent plus 1% for each additional month or portion of a month the Installment remains unpaid prior to July 1 of the year in which it becomes delinquent. However, an Installment delinquent on July 1 incurs a total penalty of 12% of the principal amount of the delinquent Installment without regard to the number of months it has been delinquent. A delinquent Installment shall also accrue interest on the principal of the Installment at the rate of 1% for each month or portion of a month that the Installment remains unpaid. Subject to paragraph 16 below, penalties, interest, fees, and costs payable under this paragraph shall be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees that become due pursuant to the Financing Documents, may be imposed and retained by Lender.

(b) The Assessment and any interest or penalties thereon,

(1) are a first and prior lien against the Property from the date on which the Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located as provided by Section 399.013 of the PACE Act, until the Assessment, interest, or penalty is paid; and

(2) such lien has the same priority status as a lien for any other ad valorem tax, pursuant to Section 399.014(a)(2) of the PACE Act.

(c) Pursuant to Section 399.014(b) of the PACE Act, the lien created by the Assessment runs with the land, and any portion of the Assessment that has not yet become due shall not be eliminated by sale or transfer of the Property, or by foreclosure of (i) a property tax lien, or (ii) the lien for a delinquent Installment of the Assessment. Accordingly, Installments may not be accelerated in the event of default. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents shall be transferred to the succeeding owner without recourse to Lender, Local Government, or Authorized Representative.

(d) In the event of a default by Property Owner in payment of an Installment called for by the Financing Documents or the filing of a case under the U.S. Bankruptcy Code by or against Property Owner, the lien created by the Assessment shall be enforced by Local Government for the benefit of Lender, in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(e) In a suit to collect a delinquent Installment of the Assessment, Local Government shall be entitled to recover costs and expenses, including attorney's fees in the

amount of 15% of the total principal amount of the delinquent Installment, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48, as amended from time-to-time, as in a suit to collect a delinquent property tax. Lender shall be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.

(f) As provided in Section 399.014(a-1) of the PACE Act, after the Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a “qualified improvement” or the Project is not a “qualified project”, as such terms are defined in Section 399.002 of the PACE Act.

6. Written Contract Required by PACE Act. This PACE Owner Contract constitutes a written contract for the Assessment between Property Owner and Local Government as required by Section 399.005 of the PACE Act. The Notice of Contractual Assessment Lien shall be recorded in the real property records of the county in which the Property is located as public notice of the contractual Assessment, in accordance with the requirements of Section 399.013 of the PACE Act.

7. Qualified Improvements. Property Owner agrees and warrants that all improvements purchased, constructed, or installed through the Financing obtained pursuant to this PACE Owner Contract shall be permanently affixed to the Property and shall transfer with the Property to the transferee in the event of a sale or transfer of the Property. Property Owner agrees to provide to Authorized Representative within 30 days after the completion of the Project a verification by an Independent Third Party Reviewer (“ITPR”) that the Project was properly completed and is operating as intended. Property Owner agrees that Lender may retain the final advance of Financing until such verification is submitted or require Property Owner to pay liquidated damages for a failure to do so, according to paragraph 23 below.

8. Water or Energy Savings. For so long as the Assessment encumbers the Property, Property Owner agrees, on or before January 31st of each year, to report to Authorized Representative the water or energy savings realized through the Project in accordance with the reporting requirements established by Authorized Representative.

9. Construction and Definitions. This PACE Owner Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the PACE Program or the PACE Act.

10. Binding Effect. This PACE Owner Contract is binding upon and inures to the benefit of the parties hereto and their respective heirs, representatives, agents, successors, and assigns.

11. Notices. Unless otherwise specifically provided herein, all notices and other communications required or permitted by this PACE Owner Contract shall be in writing and delivered by first-class mail or by electronic mail with written confirmation of receipt, addressed to the other party at the address stated below the signature of such party or at such other address

as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.

12. Governing Law and Venue. This PACE Owner Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas without regard to Texas' choice of law provisions. Venue for any disputes or suits between the parties arising from or related to this PACE Owner Contract shall be in a state court located in the Region, and the parties consent to the personal and subject matter jurisdiction of such state court.

13. Entire Agreement. This PACE Owner Contract, including its exhibits, constitutes the entire agreement between Local Government and Property Owner with respect to the subject matter hereof and may not be amended or altered in any manner except by a document in writing executed by both parties. If this is a HUD assisted or FHA insured Project, then HUD or FHA must also consent in writing to any amendment or alteration of this PACE Owner Contract, for as long as the Project remains HUD assisted or FHA insured.

14. Captions. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

15. Counterparts. This PACE Owner Contract may be executed in any number of counterparts, and each counterpart may be delivered on paper or by electronic transmission, all of which when taken together shall constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

16. Interest. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and Contractual Interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law ("**Usury Limit**"). If the total amount of interest payable to Local Government and Contractual Interest payable to Lender exceeds the Usury Limit, the interest payable to Local Government shall be reduced and any interest in excess of the Usury Limit shall be credited to the amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this PACE Owner Contract.

17. Costs. No provision of this PACE Owner Contract shall require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

18. Inspection and Audits. Local Government's representatives may perform, or have performed, (a) audits of Property Owner's documents, books and records, and (b) inspections of all places where Qualified Improvements are undertaken in connection with this PACE Owner Contract. Property Owner shall keep its documents, books and records available for this purpose for at least three (3) years after this PACE Owner Contract terminates. This provision does not affect the applicable statute of limitations.

19. Further Assurances. Property Owner further covenants and agrees to do, execute and deliver, or cause to be done, executed, and delivered all such further acts for implementing the intention of this PACE Owner Contract as may be reasonably necessary or required.

20. Release. PROPERTY OWNER AGREES TO AND SHALL RELEASE THE LOCAL GOVERNMENT, ITS AUTHORIZED REPRESENTATIVES, AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE “RELEASED PERSONS”) FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS PACE OWNER CONTRACT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE RELEASED PERSON’S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE RELEASED PERSON’S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, AND EVEN IF THE INJURY, DEATH, DAMAGE OR LOSS IS CAUSED BY THE RELEASED PERSON’S WRONGFUL ACTION OR INACTION.

21. Indemnification. TO THE MAXIMUM EXTENT ALLOWED BY LAW, PROPERTY OWNER SHALL INDEMNIFY AND HOLD LOCAL GOVERNMENT, ITS AUTHORIZED REPRESENTATIVES, AND THEIR RESPECTIVE AFFILIATES, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS (EACH SUCH PERSON HEREIN REFERRED TO AS AN “INDEMNITEE”) ABSOLUTELY HARMLESS FROM AND AGAINST ALL CLAIMS, LIABILITIES, LOSSES, DAMAGES, OBLIGATIONS OR RELATED EXPENSES INCURRED BY OR IMPOSED UPON OR ALLEGED TO BE DUE OF INDEMNITEE IN CONNECTION WITH THE EXECUTION OR DELIVERY OF THIS PACE OWNER CONTRACT, THE NOTICE OF CONTRACTUAL ASSESSMENT LIEN, THE FINANCING DOCUMENTS, AND ANY OTHER DOCUMENT OR ANY OTHER AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR, IN THE CASE OF ANY INDEMNITEE, THE ADMINISTRATION OF THIS PACE OWNER CONTRACT AND ANY OTHER AGREEMENTS RELATED TO THE PROJECT. However, If HUD later acquires title to all or any portion of Property pursuant to a foreclosure, deed in lieu of foreclosure, or otherwise, then notwithstanding anything in this PACE Owner Contract to the contrary, HUD shall not be obligated to indemnify any Indemnitee or entity or be liable for, or to carry out, any indemnity.

22. No Personal Liability. Pursuant to Section 399.019 of the PACE Act, the Property Owner acknowledges that the members of the governing body and employees of the Local Government, and board members, executives, employees, and contractors of the Authorized Representative are not personally liable as a result of exercising any rights or responsibilities under the PACE Program or any agreement in furtherance of the PACE Program.

23. Construction Terms. The Financing Documents executed by Lender and Property Owner must include a requirement that Lender shall withhold _____% of the Financing until verification that the Project was properly completed and is operating as intended is provided to Authorized Representative by an ITPR or Property Owner shall pay liquidated damages to Lender

of \$_____ per day for every day after 30 days following completion of the Project that such verification of completion is not provided. If verification of completion is not provided by Property Owner within 30 days after completion of the Project, such verification shall be submitted by Lender. If the PACE Lender Contract includes requirements related to the construction of the Project and disbursement of Financing, such requirements are set forth in Exhibit D attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final Project completion.

PROPERTY OWNER:

By: _____

Name: _____

Title: _____

Address: _____

Email Address: _____

ACKNOWLEDGEMENT

STATE OF _____ §

COUNTY OF _____ §

This PACE Owner Contract pursuant to Property Assessed Clean Energy Act was
acknowledged before me on _____, _____ by _____,
_____, on behalf of _____.

_____(print name)

NOTARY PUBLIC, STATE OF _____

LOCAL GOVERNMENT:

CITY OF HENDERSON, TEXAS

By: TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY
dba TEXAS PACE AUTHORITY
AUTHORIZED REPRESENTATIVE
Pursuant to Tex. Local Gov't Code §399.006(b)

By: _____

Name: CHARLENE HEYDINGER

Title: PRESIDENT

Address: PO BOX 200368
AUSTIN, TX 78720-0368

Email Address: admin@texaspaceauthority.org

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF _____ §

This PACE Owner Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on _____, 20__ by Charlene Heydinger, President, Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority, a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

(print name)

NOTARY PUBLIC, STATE OF TEXAS

PACE OWNER CONTRACT EXHIBIT A
NOTICE OF CONTRACTUAL ASSESSMENT LIEN
PURSUANT TO
PROPERTY ASSESSED CLEAN ENERGY ACT

PACE OWNER CONTRACT EXHIBIT B

LENDER CONSENT(S)

PACE OWNER CONTRACT EXHIBIT C

FINANCING DOCUMENTS

Assessment Payment Schedule

Assessment Total:

Payment Frequency:

Payment Date	Total Payment	Principal Paid	Interest Paid	Administration Fee	Remaining Balance

Financing Documents

Document Title	Parties	Date Executed

PACE OWNER CONTRACT EXHIBIT D

CONSTRUCTION TERMS

Retainage or Liquidated Damages:

Lender shall retain _____% of the Financing until a report of completion by a qualified Independent Third Party Reviewer (“ITPR”) is provided to Authorized Representative.

OR

Property Owner shall pay liquidated damages to Lender of \$_____ per day for every day after 30 days following completion of the Project that such a report of completion is not provided. Lender shall then provide the report of completion to Authorized Representative.

Additional Construction Terms

Date	Draw down Amount	Purpose

EXHIBIT 3
FORM LENDER CONTRACT

FORM PACE LENDER CONTRACT

THIS PROPERTY ASSESSED CLEAN ENERGY (“PACE”) LENDER CONTRACT including the attached exhibit (“**PACE Lender Contract**”) is made as of the _____ day of _____, _____, (“**Effective Date**”) by and between the City of Henderson, Texas (“**Local Government**”) and _____ (“**Lender**”). Local Government and Lender are hereafter referred to collectively as “the parties” or individually as “party.”

RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.

B. Local Government has established a program under the PACE Act pursuant to a resolution dated _____, adopted by the City Council (“**PACE Program**”), and has designated Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority as the representative of Local Government (“**Authorized Representative**”) authorized to enter into the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the boundaries of the City of Henderson, Texas jurisdiction, including its extraterritorial jurisdiction, as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owner’s property pursuant to the PACE Program.

C. Pursuant to Project Application Number _____, _____ (“**Property Owner**”), the sole legal and record owner of the following qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region has applied to Local Government to participate in the PACE Program with respect to certain real property located at _____, _____, Texas, _____ - _____ (the “**Property**”) (the Property being more particularly described in the Notice of Contractual Assessment Lien, attached hereto as Exhibit A to the PACE Owner Contract which appears below as Exhibit A to this PACE Lender Contract) by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (“**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”).

D. Property Owner and Local Government have entered into a written contract as required by Section 399.005 of the PACE Act, a copy of which is attached hereto as Exhibit A and made a part hereof (the “**PACE Owner Contract**”), in which Property Owner has requested that Local Government impose an assessment (the “**Assessment**”) on the Property as set forth in the Notice Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in the real property records of the county in which the Property is located (the “**Notice of Contractual Assessment Lien**”), to repay the financing of such Qualified Improvements. A copy of the Notice of Contractual Assessment Lien is attached as Exhibit A to the PACE Owner Contract which appears below as Exhibit A to this PACE Lender Contract and made a part hereof. The Property, Qualified Improvements, and Assessment are more fully described in the Notice of Contractual Assessment Lien.

E. Financing for the Project (“**Financing**”) shall be provided to Property Owner by Lender in accordance with financing documents which are described in or copies of which are attached as Exhibit C to the PACE Owner Contract attached hereto as Exhibit A and made a part hereof (“**Financing Documents**”). Such Financing includes only those costs and fees for which an assessment may be imposed under Section 399.006(e) of the PACE Act. This PACE Lender Contract is entered into between Local Government and Lender as required by Section 399.006(c) of the PACE Act to provide for repayment of the Financing secured by the Assessment.

F. As required by Section 399.010 of the PACE Act, Property Owner has notified the holder(s) of any mortgage lien on the Property at least thirty (30) days prior to the effective date of the PACE Owner Contract of Property Owner’s intention to participate in the PACE Program. The written consent of each mortgage lien holder to the Assessment was obtained on or prior to the effective date of the PACE Owner Contract, as shown by the copy of such consent(s) attached as Exhibit B to the PACE Owner Contract which appears below as Exhibit A to this PACE Lender Contract (“**Lender Consent(s)**”).

AGREEMENT

The parties agree as follows:

1. Maintenance and Enforcement of Assessment. Lender agrees to provide Financing for the Project in the total principal amount of \$ _____, according to the terms set out in the Financing Documents attached hereto as Exhibit C to the PACE Owner Contract attached as Exhibit A. In the event the actual total of costs and fees for which an assessment may be imposed under the PACE Act is different from the stated amount or any other term requires correction, Authorized Representative on behalf of Local Government, Property Owner, and Lender agree to execute an amended Owner Contract and Lender Contract, and thereafter Authorized Representative shall record an amended Notice of Contractual Assessment Lien. In consideration for the Financing provided or to be provided by Lender for the Project, and subject to the terms and conditions of this PACE Lender Contract, Local Government agrees to maintain and continue the Assessment for the benefit of Lender until the Assessment, all contractual interest due to Lender according to the Financing Documents (“**Contractual Interest**”), any prepayment penalty, and any penalties, interest, fees, attorney’s fees, and costs due under or authorized by the PACE Act and the Financing Documents are paid in full, and to release the Assessment upon notice from

Lender of such payment in full. Local Government shall not release, sell, assign or transfer the Assessment or the lien securing it without the prior written consent of Lender. Upon written request of Lender, and with the written consent of Property Owner, Authorized Representative on behalf of Local Government may execute a partial release of the assessment lien and record the partial release. Local Government agrees to enforce the assessment lien against the Property at the request of Lender in the event of a default in payment by Property Owner in accordance with the provisions set forth in paragraph 6 below. Local Government shall have no obligation to repurchase the Assessment and no liability to Lender should there be a default in the payment thereof or should there be any other loss or expense suffered by Lender or under any other circumstances.

2. Installments. The Assessment and Contractual Interest thereon are due and payable to Lender in installments (“**Installments**”) according to the payment schedule set forth in the Financing Documents attached hereto as Exhibit C to the PACE Owner Contract attached as Exhibit A. The Assessment includes (1) an application fee paid by Property Owner to Authorized Representative at closing of the Financing and (2) a recurring administration fee paid by Property Owner to Authorized Representative until the Assessment is released. The recurring administration fee amount shall be collected by Lender and paid to Authorized Representative not later than thirty (30) days after receipt by Lender, unless otherwise agreed to in writing by Authorized Representative. Notwithstanding the foregoing, in the event of delinquency in the payment of any Installment, Lender shall, upon notice to Authorized Representative, withhold payment of any amounts due to Authorized Representative in connection with such Installment until the Installment is paid. Lender agrees that any such temporary withholding shall not reduce the amount of administration fees included in the Assessment or due to Authorized Representative. The amounts due to Authorized Representative are identified in Exhibit C to the PACE Owner Contract attached hereto as Exhibit A. As required by Section 399.009(a)(8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project.

3. Assignment of Right to Receive Installments or Require Enforcement of Lien. Lender has the right, without the consent of Property Owner, to assign or transfer the right to receive the Installments or require Local Government to enforce the assessment lien in the event of a default in payment, together with the corresponding obligations, provided that all of the following conditions are met:

(a) The assignment or transfer is made to a qualified lender, which may be one of the following:

(1) Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;

(2) Any insurance company authorized to conduct business in one or more states;

(3) Any registered investment company, registered business development company, or a Small Business Administration small business investment company;

- (4) Any publicly traded entity; or
- (5) Any private entity that:
 - (i) Has a minimum net worth of \$5 million;
 - (ii) Has at least three years' experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has at least three years' experience in business or industrial lending or commercial real estate lending;
 - (iii) Can provide independent certification as to availability of funds; and
 - (iv) Has the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts.
- (6) A financially stable entity, whether or not from the list above, with the ability to carry out, either directly or through a servicer, the obligations of this PACE Lender Contract related to the receipt and accounting of the Installments or the enforcement of the assessment lien.

(b) Lender shall notify Property Owner and Authorized Representative in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed not less than 30 days before the next Installment is due according to the payment schedule included in the Financing Documents. The Lender shall also notify the holder(s) of any mortgage lien at the mailing address in the Lender Consent(s), or a subsequent address provided by any mortgage lien holder and, if this is a US Department of Housing and Urban Development (“HUD”) assisted or a Federal Housing Administration (“FHA”) insured Project, at the address below or a subsequent address provided by HUD.

US Department of Housing and Urban Development
Fort Worth Regional Office
307 W. 7th St., Suite 1000
Fort Worth, Texas 76102

(c) The assignee or transferee shall execute a written assumption agreement according to the Financing Documents of all of Lender's rights and obligations under this PACE Lender Contract related to the receipt of the Installments or enforcement of the assessment lien and provide a copy of such assumption to Property Owner and Authorized Representative not later than 10 days after execution of the agreement. Lender may assign or transfer the right to receive the Installments or the right to require enforcement of the assessment lien separately.

Upon written notice of an assignment or transfer that complies with all of the foregoing conditions, the assignor shall be released of all of the rights and obligations of the Lender under this PACE Lender Contract accruing after the effective date of the assignment that are specified in the assignment or transfer document, and all of such rights and obligations shall be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments or to require enforcement of the assessment lien that does not comply with all of the foregoing conditions is void. Lender shall retain all of the rights and obligations of Lender under this PACE Lender Contract until such rights and obligations are assigned or transferred according to this section.

4. Financing Responsibility. Lender assumes full responsibility for determining the financial ability of the Property Owner to repay the Financing, advancing the funds as set forth in the Financing Documents and performing Lender's obligations and responsibilities thereunder. In the event the assessment lien on the Property is enforced by foreclosure as provided below, Lender shall have no further obligations to Property Owner with respect to the Installments that were the subject of the foreclosure, but Lender shall retain the rights to enforcement of the lien for any Installments that are not eliminated by the foreclosure, and the succeeding owner of the Property shall be subject to such lien.

5. Lien Priority and Enforcement. As provided in the PACE Owner Contract and Sections 399.014 and 399.015 of the PACE Act:

(a) Delinquent Installments shall incur penalties and interest on the principal of the Installment in the same manner and in the same amount as delinquent property taxes, pursuant to the statutes in effect at the time of default. Under the current statutes a delinquent Installment incurs a penalty of 6% of the principal amount of the Installment for the first calendar month it is delinquent plus 1% for each additional month or portion of a month the Installment remains unpaid prior to July 1 of the year in which it becomes delinquent. However, an Installment delinquent on July 1 incurs a total penalty of 12% of the principal amount of the delinquent Installment without regard to the number of months it has been delinquent. A delinquent Installment shall also accrue interest on the principal of the Installment at the rate of 1% for each month or portion of a month that the Installment remains unpaid. Subject to paragraph 17 below, penalties, interest, fees, and costs payable under this paragraph shall be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees and charges that become due pursuant to the Financing Documents may be imposed and retained by Lender.

(b) The Assessment and any interest or penalties thereon,

(1) are a first and prior lien against the Property from the date on which the Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located, as provided by Section 399.013 of the PACE Act, until the Assessment, interest, or penalty is paid; and

(2) such lien has the same priority status as a lien for any other ad valorem tax, pursuant to Section 399.014(a)(2) of the PACE Act.

(c) Pursuant to Section 399.014(b) of the PACE Act, the lien created by the Assessment runs with the land, and any portion of the Assessment that has not yet become due shall not be eliminated by foreclosure of (i) a property tax lien, or (ii) the lien for a delinquent Installment of the Assessment. Accordingly, Installments may not be accelerated in the event of default. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents shall be transferred to the succeeding owner without recourse to Lender, Local Government or Authorized Representative.

(d) In the event of a default by Property Owner in payment of an Installment called for by the Financing Documents or the filing of a case under the U.S. Bankruptcy Code by or against Property Owner, the lien created by the Assessment shall be enforced by Local Government for the benefit of Lender according to paragraph 6(c) below in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(e) In a suit to collect a delinquent Installment of the Assessment, Local Government shall be entitled to recover costs and expenses, including attorney's fees in the amount of 15% of the total principal amount of the delinquent Installment, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender shall be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.

(f) As provided in Section 399.014(a-1) of the PACE Act, after written notice of the Assessment is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a "qualified improvement" or the Project is not a "qualified project", as such terms are defined in Section 399.002 of the PACE Act.

6. Servicing and Enforcement of Assessment.

(a) Servicing. The Installments and other amounts due under the Financing Documents shall be billed, collected, received, and disbursed in accordance with the procedures set out in the Financing Documents. Lender or its designee shall be responsible for all servicing duties other than those specifically undertaken by Local Government in this PACE Lender Contract. If this is a HUD assisted or FHA insured Project, then the Financing Documents (i) shall provide for Installments to be escrowed in a manner acceptable to HUD or FHA lender and paid to Lender, and (ii) not make Installments more frequent than semi-annually. Authorized Representative shall deliver an annual notice of assessment to Property Owner by first-class mail or electronic mail each year until the Assessment is released. Any failure of Local Government or Authorized Representative to

deliver an annual notice of assessment to Property Owner shall not affect the Assessment or Property Owner's obligations under the PACE Owner Contract.

(b) Remittances. Each of the parties covenants and agrees to promptly remit to the other party any payments incorrectly received by such party with respect to the Assessment after the execution of this PACE Lender Contract.

(c) Default and Enforcement. In the event of a default in payment of any Installment according to the Financing Documents, Lender agrees to take at least the following steps to collect the delinquent Installment:

(1) Mail a written notice of delinquency and demand for payment to the Property Owner by both certified mail, return receipt requested, and first-class mail. Lender shall mail a copy of the first notice of delinquency to the holder(s) of any mortgage lien on the Property, to HUD if this is a HUD assisted or FHA insured Project; and to Freddie Mac if the lien is held by Freddie Mac.

(2) Mail a second notice of delinquency and demand for payment to the Property Owner by both certified mail, return receipt requested, and first-class mail at least 30 days after the date of the first notice if the delinquency is continuing; and Lender shall also mail a copy of the second notice of delinquency to the holder(s) of any mortgage lien on the Property, to HUD if this is a HUD assisted or FHA insured Project, and to Freddie Mac if the lien is held by Freddie Mac.

The holder(s) of any mortgage lien on the Property, HUD, if this is a HUD assisted or FHA insured Project, and Freddie Mac if the mortgage lien is held by Freddie Mac, shall have not less than a 60-day notice and right to cure the delinquency by paying the amount of the delinquent Installment.

If Property Owner or other parties with the right to cure under this contract fails to cure the delinquency on or before the 30th day after the mailing of the second notice of delinquency, Lender or its designee may notify Authorized Representative in writing of a default in payment by Property Owner. Upon receipt of such notice and after doing its own due diligence, Authorized Representative shall certify the default to Local Government, which shall then enforce the assessment lien for the benefit of Lender pursuant to Sec. 399.014(c) of the PACE Act, in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution. However, if a case under the U.S. Bankruptcy Code is filed by or against Property Owner or if the enforcement of the assessment lien is prevented by the order of a court, Local Government shall notify Authorized Representative and shall file a proof of claim for the balance of the Assessment, accrued interest and penalties, and all costs and expenses, including attorney's fees, as authorized by Section 399.014 of the PACE Act. Authorized Representative shall notify Lender of the filing of the proof of claim. Lender shall not be required to mail a notice of delinquency to Property Owner or a notice of default to Local Government. Lender shall reimburse Local Government for any costs and expenses, including attorney's fees, required to file and present the claim.

(d) Priority. Pursuant to Sec. 399.014(a)(2) of the PACE Act, if the assessment lien is enforced by foreclosure or collected through a bankruptcy or similar proceeding, the delinquent Installment(s) and any interest, costs, or penalties on them shall have the same priority status as a secured claim for any other ad valorem tax. The parties understand that the assessment lien is a statutory tax lien under Sec. 399.014 of the PACE Act.

(e) Final Payment and Release. When the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees, attorney fees, or costs due under or authorized by the PACE Act or the Financing Documents have been paid in full, Local Government's rights under the PACE Owner Contract shall cease and terminate. Upon notice from Lender that all amounts due have been paid in full, Authorized Representative on behalf of Local Government, shall execute a release of the Assessment and the PACE Owner Contract and record the release.

(f) Limitations on Local Government's Actions. Local Government shall not enter into any amendment or modification of or deviation from the PACE Owner Contract without the prior written consent of Lender. Local Government or Authorized Representative shall not institute any legal action with respect to the PACE Owner Contract, the Assessment, or the assessment lien without the prior written request of Lender.

(g) Limitations of Local Government's Obligations. Local Government undertakes to perform only such duties as are specifically set forth in this PACE Lender Contract, and no implied duties on the part of Local Government are to be read into this PACE Lender Contract. Local Government shall not be deemed to have a fiduciary or other similar relationship with Lender. Local Government may request written instructions for action from Lender and refrain from taking action until it receives satisfactory written instructions. Local Government shall have no liability to any person for following such instructions, regardless of whether they are to act or refrain from acting.

(h) Costs. No provisions of this PACE Lender Contract shall require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

7. Lender's Warranties and Representations. With respect to this PACE Lender Contract, Lender hereby warrants and represents that on the Effective Date of this PACE Lender Contract:

(a) Lender is a qualified lender under the PACE Program, as defined in paragraph 3(a) above, and is fully qualified under the PACE Program to enter into this PACE Lender Contract and the Financing Documents;

(b) Lender has independently and without reliance upon Local Government conducted its own credit evaluation, reviewed such information as it has deemed adequate and appropriate, and made its own analysis of the PACE Owner Contract, the Project, and

Property Owner's financial ability to perform the financial obligations set out in the Financing Documents; and

(c) Lender has not relied upon any investigation or analysis conducted by, advice or communication from, or any warranty or representation by Local Government, Authorized Representative, or any agent or employee of Local Government or Authorized Representative, express or implied, concerning the financial condition of the Property Owner or the tax or economic benefits of an investment in the Assessment.

8. Written Contract Required by the PACE Act. This PACE Lender Contract constitutes a written contract between Local Government and Lender, as required under Section 399.006(c) of the PACE Act.

9. Construction and Definitions. This PACE Lender Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the PACE Program, or the PACE Act.

10. Binding Effect. This PACE Lender Contract is binding upon and inures to the benefit of the parties hereto and their respective representatives, agents, successors, and assigns.

11. Notices. Unless otherwise specifically provided herein, all notices and other communications required or permitted hereunder shall be in writing and delivered by first-class mail or by electronic mail with written confirmation of receipt, addressed to the other party at the address stated below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.

12. Governing Law and Venue. This PACE Lender Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas without regard to Texas' choice of law provisions. Venue for any disputes or suits between the parties arising from or related to this PACE Lender Contract shall be in a state court located in the Region, and the parties consent to the personal and subject matter jurisdiction of such state court.

13. Entire Agreement. This PACE Lender Contract, including its exhibit, constitutes the entire agreement between Local Government and Lender with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties. If this is a HUD assisted or FHA insured Project, then HUD or FHA must also consent in writing to any amendment or alteration of this PACE Lender Contract, for as long as the Project remains HUD assisted or FHA insured.

14. Further Assurances. Lender further covenants and agrees to do, execute and deliver, or cause to be done, executed, and delivered all such further acts for implementing the intention of this PACE Lender Contract as may be reasonably necessary or required.

15. Captions. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

16. Counterparts. This PACE Lender Contract may be executed in any number of counterparts, and each counterpart may be delivered on paper or by electronic transmission, all of which when taken together shall constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

17. Interest. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and Contractual Interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the “**Usury Limit**”). If the total amount of interest payable to Local Government and Contractual Interest payable to Lender exceeds the Usury Limit, interest payable to Local Government shall be reduced and any interest in excess of the Usury Limit shall be credited to the amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this PACE Lender Contract.

18. Certification. Local Government certifies that the PACE Program has been duly adopted and is in full force and effect on the Effective Date of this PACE Lender Contract. Property Owner has represented to Lender and Local Government that the Project is a “qualified project” as defined in the PACE Program and Section 399.002 of the PACE Act. The Assessment has been imposed on the Property as a lien in accordance with the PACE Owner Contract and the PACE Act. Local Government has not assigned or transferred any interest in the Assessment or the PACE Owner Contract.

19. Inspection and Audits. Local Government’s representatives may perform, or have performed, audits of Lender’s documents, books and records. Lender shall keep its documents, books and records available for this purpose for at least three (3) years after this PACE Lender Contract terminates. This provision does not affect the applicable statute of limitations.

20. No Personal Liability. Pursuant to Section 399.019 of the PACE Act, the Lender acknowledges that the members of the governing body and employees of the Local Government, and board members, executives, employees, and contractors of the Authorized Representative are not personally liable as a result of exercising any rights or responsibilities under the PACE Program or any agreement in furtherance of the PACE Program.

21. Construction Terms. The Financing Documents executed by Lender and Property Owner must include a requirement that Lender shall withhold _____% of the Financing until verification is provided to Authorized Representative by an Independent Third Party Reviewer (“ITPR”) that the Project was properly completed and is operating as intended, or Property Owner shall pay liquidated damages to Lender of \$_____ per day for every day after 30 days following completion of the Project that such verification of completion is not provided. If verification of completion is not provided by Property Owner on or before the 30th day after completion of the Project, such verification shall be submitted by Lender. If this PACE Lender Contract includes any additional requirements related to construction of the Project and disbursement of Financing, such requirements are set forth in Exhibit D of the PACE Owner Contract attached hereto as Exhibit A and incorporated herein by reference. Such requirements may include, among other

things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final Project completion.

LENDER:

By: _____

Name: _____

Title: _____

Address: _____

Email Address: _____

ACKNOWLEDGEMENT

STATE OF _____ §

COUNTY OF _____ §

This PACE Lender Contract pursuant to Property Assessed Clean Energy Act was
acknowledged before me on _____, _____ by _____,
_____, on behalf of _____.

_____(print name)

NOTARY PUBLIC, STATE OF _____

LOCAL GOVERNMENT:

CITY OF HENDERSON, TEXAS

By: TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY
dba TEXAS PACE AUTHORITY
AUTHORIZED REPRESENTATIVE
Pursuant to Tex. Local Gov't Code §399.006(b)

By: _____

Name: CHARLENE HEYDINGER

Title: PRESIDENT

Address: PO BOX 200368
AUSTIN, TX 78720-0368

Email Address: admin@texaspaceauthority.org

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF _____ §

This PACE Lender Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on _____, 20__ by Charlene Heydinger, President, Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority, a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

(print name)

NOTARY PUBLIC, STATE OF TEXAS

PACE LENDER CONTRACT EXHIBIT A

PACE OWNER CONTRACT

EXHIBIT 4

FORM NOTICE OF CONTRACTUAL ASSESSMENT LIEN
PURSUANT TO PROPERTY ASSESSED CLEAN ENERGY ACT

**FORM NOTICE OF CONTRACTUAL ASSESSMENT LIEN
PURSUANT TO
PROPERTY ASSESSED CLEAN ENERGY ACT**

STATE OF TEXAS §
 §
COUNTY OF RUSK §

RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand. Unless otherwise expressly provided herein, all terms used herein have the same meanings ascribed to them in the PACE Act.

B. The City of Henderson, Texas (“**Local Government**”) has established a program under the PACE Act pursuant to a resolution dated _____, adopted by the City Council (“**PACE Program**”), and has designated Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority, as the representative of Local Government (“**Authorized Representative**”) authorized to enter into and enforce the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the boundaries of Henderson, Texas jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owner’s property pursuant to the PACE Program.

C. _____ (“**Property Owner**”) is the sole legal and record owner of the qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region located at _____, _____, Texas _____ - _____ and more fully described in Exhibit A attached hereto and made a part hereof (the “**Property**”).

D. Property Owner has applied to Local Government to participate in the PACE Program by installing or modifying on the Property certain permanent improvements described in Exhibit B attached hereto and made a part hereof, which are intended to decrease water or energy consumption or demand and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (“**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a

“qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”). Property Owner has entered into a written contract (the “**PACE Owner Contract**”) with Local Government pursuant to the PACE Act and the PACE Program and has requested Local Government to impose an assessment on the Property to repay the financing of such Qualified Improvements.

E. The financing of such Qualified Improvements shall be provided to Property Owner by _____ (“**Lender**”), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by the PACE Program and Section 399.006(c) of the PACE Act (the “**PACE Lender Contract**”). Lender shall be responsible for all servicing duties other than those specifically undertaken by Local Government in the PACE Lender Contract.

THEREFORE, Local Government hereby gives notice to the public pursuant to Section 399.013 of the PACE Act that it has imposed an assessment on the Property in the principal amount of \$ _____ (the “**Assessment**”). The Assessment includes only those costs and fees for which an assessment may be imposed under Section 399.006(e) of the PACE Act. In the event that the actual total of costs and fees for which an assessment may be imposed is different from the amount stated or any other term requires correction, Authorized Representative on behalf of Local Government, Property Owner, and Lender agree to execute an amended Owner Contract and Lender Contract, and thereafter Authorized Representative shall record an amended Notice of Contractual Assessment Lien.

The Assessment and contractual interest thereon due to the Lender (“**Contractual Interest**”) are due and payable in installments (“**Installments**”) in accordance with the terms and payment schedule included in the financing documents executed between Property Owner and Lender that are described in or copies of which are attached hereto as Exhibit C (the “**Financing Documents**”).

Pursuant to Section 399.014 of the PACE Act,

1. The Assessment, including any interest, costs, fees, attorney fees, or penalties accrued thereon,
 - (i) are a first and prior lien against the Property from the date on which this Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located, until the Assessment, interest, or penalty is paid; and
 - (ii) such lien, if enforced by foreclosure or collected through bankruptcy or similar proceeding, has the same priority status as a lien for any other ad valorem tax, pursuant to Section 399.014(a)(2) of the PACE Act.
2. Pursuant to Section 399.014(b) of the PACE Act, the lien created by the Assessment runs with the land, and any portion of the Assessment that has not yet become due shall not be eliminated by foreclosure of: (i) a property tax lien, or (ii) the lien for a delinquent Installment of the Assessment. Accordingly, Installments may not be accelerated in the event of default. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner’s obligations under the Financing

Documents shall be transferred to the succeeding owner without recourse to Local Government, or Authorized Representative.

3. As provided in Section 399.014(a-1) of the PACE Act, after this Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a “qualified improvement” or the Project is not a “qualified project”, as such terms are defined in Section 399.002 of the PACE Act.

EXECUTED on _____, _____

LOCAL GOVERNMENT:

CITY OF HENDERSON, TEXAS

By: TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY
dba TEXAS PACE AUTHORITY
AUTHORIZED REPRESENTATIVE
Pursuant to Tex. Local Gov't Code §399.006(b)

By: _____

Name: CHARLENE HEYDINGER

Title: PRESIDENT

Address: PO BOX 200368
AUSTIN, TX 78720-0368

Email Address: admin@texaspaceauthority.org

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF _____ §

This Notice of Contractual Assessment Lien pursuant to Property Assessed Clean Energy Act was acknowledged before me on _____, 20__ by Charlene Heydinger, President, Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority, a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

(print name)

NOTARY PUBLIC, STATE OF TEXAS

PACE NOTICE OF LIEN EXHIBIT A

PROPERTY DESCRIPTION

PACE NOTICE OF LIEN EXHIBIT B
QUALIFIED IMPROVEMENTS

PACE NOTICE OF LIEN EXHIBIT C

FINANCING DOCUMENTS

Assessment Payment Schedule

Assessment Total:

Payment Frequency:

Payment Date	Total Payment	Principal Paid	Interest Paid	Administration Fee	Remaining Balance

Financing Documents

Document Title	Parties	Date Executed

INDEXING INSTRUCTION:

Grantor: _____, Property Owner
Grantees: _____, Local Government
_____, Lender

After recording, return to: Texas PACE Authority
Charlene Heydinger
PO Box 200368
Austin, TX 78720-0368



City Council

Agenda Item # 9.

SUBJECT: Consideration and possible action upon a revision of Resolution No. 2023-03-02 Addendum authorizing and approving the filing of the Certificate of Formation for Henderson Economic Development Corporation as a Type B economic development corporation and all the documents related thereto. (Clary)

MEETING DATE: June 20, 2023

DEPARTMENT: HEDCO

CONTACT: John Clary, HEDCO Director

RECOMMENDED CITY COUNCIL ACTION: Staff recommends Council approve a revision to resolution 2023-03-02 Addendum.

ITEM SUMMARY: The Secretary of State asked that we revise the HEDCO Certificate of Formation to include a statement that the corporation is being formed by a conversion. Jeff had added a Paragraph to the Certificate to see their request. SOS staff have informally told him that this should be sufficient. I have attached the revised Certificate and Resolution as a PDF entitled Step 3 2.0.

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS:

1. 2023-03-02 HEDCO Type B Certificate of Formation Addendum

CITY OF HENDERSON, TEXAS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HENDERSON, TEXAS, AUTHORIZING THE HENDERSON ECONOMIC DEVELOPMENT CORPORATION TO ACT ON ITS BEHALF TO FURTHER THE PUBLIC PURPOSES STATED IN THE CERTIFICATE OF FORMATION; APPROVING AND AUTHORIZING THE FILING OF THE CERTIFICATE OF FORMATION FOR THE HENDERSON ECONOMIC DEVELOPMENT CORPORATION; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, on Tuesday, November 2, 2021, the eligible voters of the City of Henderson, Texas, approved a ballot proposition terminating the Type A sales and use tax at the rate of one-half of one-percent, and adopting the Type B sales and use tax at the rate of one-half of one-percent; and

WHEREAS, the City Council of the City of Henderson, Texas, is authorized to form the Henderson Economic Development Corporation (hereinafter referred to as the "Corporation"), a Type B economic development corporation, formed pursuant to Chapter 505 of the Texas Local Government Code, also referred to as the Development Corporation Act (hereinafter referred to as the "Act"); and

WHEREAS, pursuant to Section 501.051 of the Texas Local Government Code the City Council of the City of Henderson, Texas, finds and determines the creation of the Corporation is advisable; and approves the Certificate of Formation proposed to be used in organizing the Corporation, which is attached hereto as **Exhibit A**, and is incorporated herein for all purposes; and

WHEREAS, pursuant to Section 501.056(10) of the Texas Local Government Code the City Council of the City of Henderson, Texas, by this Resolution has specifically authorized the Corporation to act on its behalf to further the public purpose stated in the Resolution and the Certificate of Formation, and consistent with the Act, and by this Resolution approves the Certificate of Formation, which is attached hereto as **Exhibit A**, and is incorporated herein for all purposes.

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

Section 1. FINDINGS INCORPORATED

The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

Section 2. AUTHORIZES CORPORATION TO ACT ON ITS BEHALF

The City Council of the City of Henderson, Texas, has specifically authorized the Henderson Economic Development Corporation to act on its behalf to further the public purposes stated in the Certificate of Formation, a copy of which is attached hereto as **Exhibit A**, and consistent with the Act.

Section 3. AUTHORIZES THE FILING OF THE CERTIFICATE OF FORMATION

The City Council of the City of Henderson, Texas, does hereby approve the form of the Henderson Economic Development Corporation's Certificate of Formation, a copy of which is attached hereto as **Exhibit A**, and does hereby authorize the filing of this Certificate of Formation with the Texas Secretary of State's office, and any and all documents related thereto, and any and all revisions deemed necessary by City staff or its attorneys.

Section 4. EFFECTIVE DATE

This Resolution shall become effective from and after its passage.

DULY RESOLVED by the City Council of the City of Henderson, Texas, on this the 20th day of June , 2023.

John Fullen, Mayor

ATTEST:

Cheryl Jimerson, City Secretary

Exhibit A

Henderson Economic Development Corporation

Certificate of Formation

**CERTIFICATE OF FORMATION
OF THE
HENDERSON ECONOMIC DEVELOPMENT CORPORATION**

**ARTICLE 1
Corporate Name**

The name of the Corporation is the “**Henderson Economic Development Corporation.**”

**ARTICLE 2
Nonprofit Corporation**

The Corporation is a nonprofit corporation and is an economic development corporation organized pursuant to the provisions contained in Chapter 505 of the Texas Local Government Code, as amended, the Development Corporation Act (hereinafter referred to as the “Act”). The Corporation is governed by Chapter 505 of the Act. In the event of any conflict between any provision of this Certificate of Formation and the Act, then the provisions of the Act shall control.

**ARTICLE 3
Registered Agent and Registered Office**

The street address of the initial registered office of the Corporation is 300 W. Main Street, Henderson, Texas 75652, and the name of its initial registered agent is, Cheryl Jimerson, City Secretary.

**ARTICLE 4
Management**

Management of the affairs of the Corporation is to be vested in its Board of Directors consisting of seven (7) directors appointed by the City Council of the City of Henderson, Texas, for staggered two (2) year terms of office. Not more than four (4) directors shall be persons who

are employees, officers, or members of the governing body of the City. If a director shall cease to be a City employee, officer, or member of the City Council, such event shall constitute an automatic resignation as a director and such vacancy shall be filled in the same manner as for other vacancies of the Board of Directors. The names and street addresses of the initial Board of Directors are as follows:

<u>Name and Address:</u>	<u>Initial Term Expiration Date:</u>
Adam Duey 500 Angela Lane Henderson, Texas 75654	September 30, 2024
Micah Howard 1405 S. Main Street Henderson, Texas 75652	September 30, 2024
Brian Ballard 1300 S. Evenside Henderson, Texas 75654	September 30, 2024
Noble Welch 1603 Briarwood Trail Henderson, Texas 75654	September 30, 2023
Dylan Culp 1703 Timberline Henderson, Texas 75652	September 30, 2023
Michael Bell 1101 U.S. Hwy 259 S Henderson, Texas 75652	September 30, 2023

Johnny Foster 130 North Marshall Henderson, Texas 75652	September 30, 2023
---	--------------------

Each Director must reside within the City of Henderson, Texas, or Rusk County, Texas, consistent with section 505.052 of the Act, as amended, and if such residency ceases it shall be deemed a resignation. Directors are removable by the City Council at any time without cause. The Directors shall serve without compensation, except that the Directors shall be reimbursed for their actual expenses incurred in the performance of their duties as Directors. Any vacancy occurring on the Board of Directors through death, resignation or otherwise shall be filled by appointment by the City Council, and the appointee shall hold office until the expiration of the relinquished term.

ARTICLE 5

Membership/Stock

The Corporation shall have no members and shall be a non-stock corporation.

ARTICLE 6

Duration

The period of duration of the Corporation is perpetual.

ARTICLE 7

Public Purposes

The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the City of Henderson, Texas, and the specific purposes for which the Corporation is organized, and may issue bonds on behalf of the City, and expend the proceeds of any sales and use tax levied for projects authorized by Chapter

505 of the Texas Local Government Code, as amended, including but not limited to land, building, equipment, facilities, and improvements required or suitable for use for professional and amateur (including children's) sports, athletic, entertainment, tourist, convention, and public park purposes and events; land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements for the promotion of new or expanded business development; expenditures required or suitable for infrastructure necessary for the promotion or development of new or expanded business enterprises; and the maintenance & operations expenses for any of the above-described projects.

The Corporation is a constituted authority and a public instrumentality within the meaning of the United States Treasury Department and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, and the Corporation is authorized to act on behalf of the City as provided in these Certificate of Formation. However, the Corporation is not a political subdivision or political corporation of the State of Texas within the meaning of its constitution and laws, including without limitation Article III, section 52, of said constitution, and no agreements, bonds, debts or obligations of the Corporation are or shall ever be deemed to be the agreements, bonds, debts or obligations, or the lending of credit, or grant of public money or thing of value, of or by the City, or any other political corporation, subdivision or agency of the State of Texas, or a pledge of the faith and credit of any of them.

ARTICLE 8
Authorization

The City Council of the City of Henderson, Texas, has specifically authorized the formation of the Henderson Economic Development Corporation, a non-profit corporation, by resolution to act on its behalf to further the public purposes stated in the resolution and in the Certificate of Formation and has approved the form of these Certificate of Formation.

ARTICLE 9
Dissolution

If the Corporation ever should be dissolved when it has, or is entitled to, any interest in any funds or property of any kind, real, personal or mixed, such funds or property or rights thereto shall not be transferred to private ownership, but shall be transferred and delivered to the City after satisfaction or provision for satisfaction of debts and claims.

ARTICLE 10
Incorporators

The name and street address of the incorporators are:

Adam Duey, 500 Angela Lane, Henderson, Texas 75654;

Micah Howard, 1405 S. Main Street, Henderson, Texas 75652;

Brian Ballard, 1300 S. Evenside, Henderson, Texas 75654;

Noble Welch, 1603 Briarwood Trail, Henderson, Texas 75654;

Dylan Culp, 1703 Timberline, Henderson, Texas 75652;

Michael Bell, 1101 U.S. Hwy 259 S, Henderson, Texas 75652; and

Johnny Foster, 130 North Marshall, Henderson, Texas 75652.

Each incorporator resides within the city limits of the City of Henderson, Texas.

ARTICLE 11
Supplemental Provision

The Henderson Economic Development Corporation, as a Type B economic development corporation, is being formed pursuant to a plan of conversion. The converting entity's name is the Henderson Economic Development Corporation, as a Type A economic development corporation, and whose address is 300 W. Main Street, Henderson, Texas 75652. Henderson Economic Development Corporation, as a Type A economic development corporation, is a Texas non-profit corporation, and the date of formation with the State of Texas was August 21, 1992.

Signed this the _____ day of _____, 2023.

Adam Duey

Micah Howard

Brian Ballard

Noble Welch

Dylan Culp

Michael Bell

Johnny Foster



City Council

Agenda Item # 10.

SUBJECT: Consideration and possible action upon a recommendation of appointments to the Main Street Board and the Henderson Landmark Preservation Committee. (S. Kimbrell)

MEETING DATE: June 20, 2023

DEPARTMENT: Main Street/Tourism

CONTACT: Stephanie Kimbrell, Civic Center Manager

RECOMMENDED CITY COUNCIL ACTION: Staff recommends Council approval of board member appointments.

ITEM SUMMARY: Proposed members for the Historic Landmark Preservation Committee:

1. Leon Harris - term expires 6/1/27 and fourth June 1st thereafter
2. Gabriel Gearheart, Downtown Business & Property Owner - term expires 6/1/27 and fourth June 1st thereafter
3. Bonnie Geddie, Chamber of Commerce representation - term expires 6/1/27 and fourth June 1st thereafter
4. Brant Bane, Downtown Property Owner - term expires 6/1/26 and fourth June 1st thereafter
5. Kelly Bumgardner, Downtown Business & Property Owner - term expires 6/1/26 and fourth June 1st thereafter
6. Michael Loosier, Downtown Business & Property Owner - term expires 6/1/26 and fourth June 1st thereafter
7. Misty Evans, Downtown Business Owner - term expires 6/1/26 and fourth June 1st thereafter

Proposed members for the Main Street Advisory Board:

1. Leon Harris - term expires 6/1/27 and fourth June 1st thereafter
2. Gabriel Gearheart - Downtown Business & Property Owner - term expires 6/1/27 and fourth June 1st thereafter
3. Bonnie Geddie - Chamber of Commerce representation - term expires 6/1/27 and fourth June 1st thereafter
4. Brant Bane - Downtown Property Owner - term expires 6/1/26 and fourth June 1st thereafter
5. Kelly Bumgardner - Downtown Business & Property Owner - term expires 6/1/26 and fourth June 1st thereafter
6. Michael Loosier - Downtown Business & Property Owner - term expires 6/1/26 and fourth June 1st thereafter
7. Misty Evans - Downtown Business Owner - term expires 6/1/26 and fourth June 1st thereafter

BACKGROUND INFORMATION: Resolution # 2023-05-02 (approved at the May 16th meeting) declares the same 7 members serve a dual role on both Committee and Board, but shall act independently.

SPECIAL CONSIDERATIONS: Currently, all members' terms have expired and require appointment by Council.

Additional information: To ensure continuity of both boards, proposed members include 2 members of the current Main Street Board, 3 members of the current Preservation Committee, and the addition of 2 new members who are both downtown stakeholders.

SUPPORTING MATERIALS: None



City Council

Agenda Item # 11.

SUBJECT: Consideration on an ordinance to abandon a portion of an undeveloped alley on Peach Street.

MEETING DATE: June 20, 2023

DEPARTMENT: Community Development

CONTACT: Billy Hughes, P & Z Coordinator

RECOMMENDED CITY COUNCIL ACTION: Staff recommends that council approve an ordinance to abandon a portion of an un-improved/undeveloped alley on Peach Street.

Ordinance should be ready before the Council meeting.

ITEM SUMMARY: Consider abandoning part of an alley that lies between Lots 5& 6 in Block 12/186 and Lots 11 & 12 Block 12/186 in the Miszner Addition of the City of Henderson, Rusk County, Texas.

BACKGROUND INFORMATION: The proposed portion of this alley is not beneficial to the City of Henderson nor are there any future plans to revitalize this portion of this alley or utilize it for ant infrastructure.

SPECIAL CONSIDERATIONS: None

SUPPORTING MATERIALS: None



City Council

Agenda Item # 12.

SUBJECT: Consideration and possible action upon scheduling a Budget Workshop and Special Meeting for July 7, 2023 at 3:00 p.m. (Abercrombie)

MEETING DATE: June 20, 2023

DEPARTMENT: Administration

CONTACT: Jay Abercrombie, City Manager

RECOMMENDED CITY COUNCIL ACTION: Staff recommends setting a budget workshop and if needed a Special Meeting July 6, 2023.

ITEM SUMMARY: The budget calendar dates had the budget workshop scheduled for 3 p.m. before the Regular Council Meeting. Jay needed to push the workshop out a bit to make sure there was adequate time to take a balanced budget to Council for condieration.

BACKGROUND INFORMATION:

SPECIAL CONSIDERATIONS:

SUPPORTING MATERIALS: None

Weekly Update for Mayor and Council

6/14/2023

From: The City Manager

Budget has been the main topic over the last month within City Departments. All packets were turned in to Karen for her to process. She has since put the initial draft together for all funds within the City Budget. We are now reviewing line-item accuracy and also looking at capital requests along with many other items as we work to a balance product ready for Council review.

We will have our Budget Workshop with the Mayor, Council and all Directors on Thursday, July 6th at 3:00pm. This workshop will be held in the training room at the Central Fire Station. Dinner will be provided once we finish the meeting. There will also be an event downtown by Main Street at 7:30p that same night. We can make a night of it!!

****Council Meeting, Tuesday, June 20th!! Mark your calendars.**

Water & Wastewater Happenings:

The water meter change is progressing very well with very minor issues to this point. The total count on new meters is approximately 1200 at this point. The crews are also gathering data related to lead and copper connections on the customer's side of the meter. This is a new requirement by TCEQ and EPA. This was not in the original scope of work with Performance Services as this mandate came after that agreement was initiated and signed. We are working through budget to find the proper way to fund this unfunded mandate.

GIS locations for each meter are also being recorded and will be put in a mapping feature by our GIS team at the City of Longview. This data will help us in the future with work orders or maintenance of any meter in our water system.

Storm Damage

Update--On Wednesday, April 26th, we had a major hailstorm in Henderson. The storm produced up to baseball size stones in some parts of Henderson, especially on the south side. The City had damage to about a dozen vehicles mostly in PD and Community Development because of where they were at the time of the storm. The hail wasn't as bad at our Public Services Warehouse location, so the trucks and equipment out there escaped with minor damage if any at all.

We have had a commercial roofer look at all of the roofs on our City buildings and are awaiting the adjuster from TML Insurance to be on scene this next Monday to access any and all damage to any of our public facilities. This process will be long and extensive as they review all buildings, vehicles, equipment, park equipment, etc. I will keep the Council updated as we have more details to share along the way.

We are still waiting for the final claim details from the insurance adjuster. I believe we will still need to work on accuracy as we have more damage than what I suspect will be reported to us from the adjuster. We have several leaks in buildings in which we were told there was no damage. This is a work in process, but we have work that needs to be started and completed before other issues arise from leaks.

Details from the adjuster on our vehicles are hopefully arriving soon too. Some of these vehicles just have minor damage to the body of the vehicles but we also have a few that need more than a few dents removed. Karen Arnall, Bran Bathke and myself are staying on top of the whole process with TML to make sure our assets are returned to normal and we are made whole.

Parks and Recreation

Grass (and weeds) are growing! Our parks team is working hard daily to maintain our beautiful parks, cemeteries, and streetscapes across town. Please let them know you appreciate their work if you happen to bump into any of them!

The splash pads continue to be popular as the temps warm up. This is always a great feature to have from a livability aspect in our community. I talk to people from other towns all the time wanting to get their respective cities to install splash pads so kudos to those that were involved in that decision years ago to fund and construct these features in our parks.

Drive Thru Payments Location Change

The drive thru at the Annex building is going away due to the remodeling of that building for the Provalus team. We are installing a temporary drive thru drop box on the east side of our building on the curb in the parking lot. This should be installed on Friday with hopes of being available immediately. We are working on signage as well to direct people to the correct location during this change.

Staff is researching an alternative payment opportunity that will be in the form of an automated payment kiosk in the same general location as this new drop box. More details on this will be shared once we have them.

Elevator Project

The elevator project is finally starting soon! We had the preconstruction meeting yesterday with our engineer and the general contractor for the project. Construction should begin around the first week in July and will take approximately 6 months, ending in early January. The back parking area and the back entrance will not be available for use during this time frame. Our staff and others will need to park in the side of the building while this construction is in process. The back stairwell will also not be available for use until the project is finished.

Signage on New Building

Steve McMurray has been working with us on designing signage for both internal and external needs of our new building. The new main signage is complete on the front of the building and Steve did an amazing job. He is now focused on the smaller inside of the building as far as wayfinding signs on both levels. Hopefully this will be completed in 2 or 3 weeks.

Comprehensive Plan:

Kimley-Horn is finalizing the document and we should receive a draft in the next few days. It will then be on the agenda for Planning and Zoning to adopt followed by City Council to adopt. These adoptions should take place in July regular meetings if we are able to stay on our timeline as planned.

Sports Facilities Companies Feasibility:

Thank you for taking the time to sit with me individually and review this feasibility study and recommendations regarding our sports and recreation facilities. I am now working through many funding options that may be possible for us to complete facilities as recommended. These larger projects are usually funded through complex mechanisms and aren't achieved overnight. I will keep Council posted as I wade through all potential offerings that will see this opportunity come to fruition.

Freedom Festival

Staff has been working diligently to fine tune the details for the July 4th Freedom Festival. Food vendors, music entertainment, fun family games and community togetherness will be in the air on July 4th at Lake Forest Park. Make sure you plan to attend again this year! The "gates" open at 5:00pm with activities and fun going all the way until the fireworks show begins at approximately 9:30pm. Bring your lawn chairs and invite all your family and friends. Parking for the public will be at the High School parking lot again this year with shuttles provided by Henderson ISD. Help us spread the word!

Holiday Schedule

Please remember that City Offices will be closed in observance of Juneteenth Holiday on Monday, June 19th. Also, City offices will be closed on Tuesday, July 4th in observation of Independence Day.

TML Annual Conference

The annual TML Conference this year is in Dallas at Kay Bailey Hutchison Convention Center on October 4th – 6th. Please let Cheryl know if you plan to attend and if you are planning on bringing a guest. We will need to complete registrations and do hotel reservations on July 11th. This process is difficult as all City Council members across the state log in at the same time to get access to the best hotels. It's like trying to get tickets to a Taylor Swift concert! Please keep this in mind and let Cheryl know ASAP of your intentions.

TCMA President Elect

As of this past Sunday, I was installed in the role of President Elect for the Texas City Management Association and will be installed as President in June of 2024 at our annual conference. This role of leadership is incredibly important to me because it's my peer City Managers that elect this position. To be considered worthy of this prestigious honor means so much to me professionally. My gratitude is endless but the weight of this position is heavy as I represent our professional industry across the State of Texas and represent Texas across our International community of peers. I'd like to grab lunch or coffee with each of you soon to explain more about this position and TCMA.

Leadership Away from Office:

Hillary will be out over the next couple of weeks. I plan to be in the office most of the time until the middle of July when I have a couple of conferences. It's vacation season so several vacations are scheduled for Directors over the next couple of months. As always, please contact me or Cheryl with any needs.

As always, please contact me if you have any questions about anything related to this report.

In Service, Jay Abercrombie



HENDERSON FIRE DEPARTMENT

401 West Main St.
Henderson, Texas 75654
903-657-6551

Rusty Chote, Fire Chief
Sonny Ybarra, Deputy Fire Chief

MONTHLY REPORT FOR MAY 2023

<u>TYPE OF CALL</u>	<u>CITY</u>	<u>COUNTY</u>
<i>OTHER FIRES (Industrial/other)</i>	2	0
<i>STRUCTURE FIRES</i>	4	0
<i>VEHICLE FIRES</i>	0	0
<i>GRASS FIRES</i>	0	0
<i>ELECTRICAL FIRES</i>	0	0
<i>COOKING FIRES (KITCHEN)</i>	1	0
<i>POWER LINES</i>	0	0
<i>SMOKE CHECKS</i>	1	0
<i>ACCIDENTS (JAWS)</i>	1	0
<i>MVC'S (No Extrication)</i>	7	2
<i>AIRCRAFT STAND-BY</i>	0	0
<i>FUEL SPILLS/GAS LEAKS</i>	3	1
<i>RESCUE</i>	0	0
<i>MEDICAL CALLS</i>	19	8
<i>ALARM MALFUNCTIONS</i>	1	0
<i>FALSE ALARMS</i>	16	0
<i>DISPATCHED AND CANCELED ENROUTE</i>	5	4
<i>UNAUTHORIZED BURNING</i>	1	0
<i>CONTROL BURN (COUNTY ONLY)</i>	0	0
<i>ASSIST OTHER DEPARTMENTS</i>	0	1
<i>MISCELLANEOUS CALLS/PUBLIC SERVICE</i>	3	3
TOTAL	64	19
MILEAGE	150	168
MANHOURS	41	11
TOTAL CALLS		83
TOTAL MILEAGE		318
TOTAL MANHOURS		52
TRAINING	Paid 83 Vol 20	Total 103
INSPECTIONS		47
FIRE PREVENTION PROGRAMS		0
PUBLIC RELATIONS EVENTS		6
HYDRANT MAINTENANCE		163
WATER USAGE		12,250



HENDERSON FIRE DEPARTMENT



On May 4, 2023, Chief Chote, Deputy Chief Ybarra and C-Shift attended the 7am Prayer Breakfast at the Henderson Civic Center for the National Day of Prayer. At 11:30 am, they attended the National Day of Prayer Ceremony at the Rusk County Courthouse.

On May 10, 2023, Access Ladder & Pump performed the annual fire truck pump test and ground ladders testing. The Texas Commission on Fire Protection requires an annual pump test on all fire trucks and ground ladders. All HFD's firetrucks and ladders passed the inspections.

On May 11, 2023, Chief Chote, Deputy Chief Ybarra and A-shift attended the Law Enforcement Memorial Service at the Rusk County Courthouse. This service pays special recognition to those law enforcement officers that lose their lives in the line of duty.

May 12, 2023, Lt. Dane Krohn and B-shift attended the Speical Olympics at Lion Stadium. Firefighters assisted with unloading the buses and then assisted as needed with the event. Positive contact was made at the event with those participating and attending.

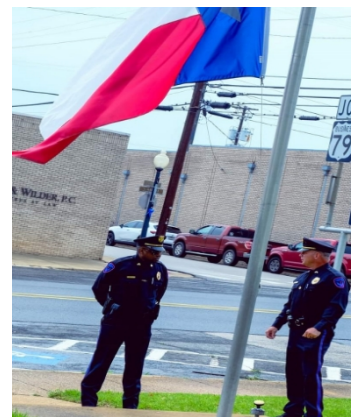
May 2023

Call Log

- Fire Calls: 56
- Medical Calls: 27
- Total Calls: 83
- Inspections: 47
- Hydrants: 163

On May 15 & 18, 2023, B-Shift instructed a fire safety and extinguisher class for a class at the Henderson High School. Firefighters gave a presentation on what steps need to be taken to become a firefighter along with tips for fire safety and instructed the class on how to extinguish a fire. The students were able to extinguish a small fire with a fire extinguisher during the class.

On May 22, 2023, CFS Inspections performed the annual aerial ladder test on Ladder 1. The test is also required annually by the Texas Commission on Fire Protection to make sure the ladder truck operates correctly. The ladder truck passed the testing as required.



May 2023

On May 28th, 2023, C-Shift attended two different church services. C-Shift first attended St. Matthew's Episcopal Church and gave a brief description about the HFD Cancer Fund. St. Matthew's Episcopal Church requests this once a year and takes up an offering from the church and donates it to the Cancer Fund. C-Shift also attended Calvary Baptist Church morning service to donate an older HFD fire helmet to Calvary Baptist Church employee, Taton Best. Taton was making his rounds of the church on the morning of May 1st and discovered a fire in a fluorescent light fixture in the activity center ceiling. Taton's early discovery of the fire and calling 911 to report the fire is what gave HFD's C-Shift the chance to extinguish the fire before it caused much damage. Taton collects hats for his various hobbies and HFD was happy to present Taton a fire helmet for his actions.

May 31, 2023, C-shift attended HPD's Coffee with Cops event at Herschel's Restaurant. Positive contact was made with those attending the event.





UTHealth

East Texas

City of Henderson

May 2023

Emergency Calls Compliance

Compliance
97.52

Calls
121

Late
3

Run# - 39839 – Priority 1 – Stroke

Total Response Time – 17 minutes 06 seconds

Calltaker entered in address in wrong city.

Run# - 46012 – Priority 1 – Breathing Problem

Total Response Time – 10 minutes – 16 seconds

Controller didn't have a unit posting in a timely manner.

Run# - 40562 – Priority 2 – Unconscious

Total Response Time – 09 minutes 51 seconds

Crew long out of chute time.

Memo



To: Jay Abercrombie, City Manager

From: Chad Taylor, Chief of Police

cc: Cheryl Jimerson, City Secretary

Date: June 1, 2023

Re: Henderson Police Department Monthly Report



Attached to this memo please find the monthly activity report from the Police Department for May.

The Henderson Police Department has been extremely busy this month. We had the Law Enforcement Memorial as well as our CPA graduation. Officers were recognized for their efforts in saving a life and we were able to attend and provide security for the Henderson High School graduation. Also, we were able to meet and greet our citizens at Herschel's during Coffee with Cops. New consoles were ordered for our Dispatch which we should receive within the next year. The department currently has one recruit in the East Texas Police Academy and another in the background phase of our hiring process.

May 9, 2023 – Chief Taylor, Charles Helton, and Lt. Sullivan with a Preacher who wanted to stop and pray for us.



May 11, 2023 – Chief Taylor and Officers at the Law Enforcement Memorial.





May 11, 2023 – Sgt. Reese with CPA Graduates



May 15, 2023 – Ofc's Tony Villalobos, Sgt Graham, & Jackson Jones getting recognized by EMS for their heroic efforts in assisting a female citizen.



May 25, 2023 – Detective Dooley with her High School Graduates



May 31, 2023- Chief along with several Officers at Coffee with a Cop at Herschels.







Henderson Police Department

800 Lake Forest Parkway

Henderson, Texas 75652

Phone: 903-657-3512 Fax: 903-657-3345

Integrity • Respect • Accountability • Courage • Professionalism • Dedication • Service

06/01/2023

To: City Council
From: Chad Taylor, Chief
Ref: Training Report

Training report for the month of May

Total number of officers with license certification 2

Total number of officers moved from basic to intermediate – 0

Total number of officers moved to advanced – 0

Total number of officers moved to master- 0

Total number of Telecommunicators with a temporary license – 2

Total number of Telecommunicators moved from temporary license to basic-0

Total number of Telecommunicators moved from basic to intermediate-0

Total number of Telecommunicators moved from advance to master-0

Total Proficiency level moves - 0

Approximate hours of training hours for the month of May-382

Information provided by Lt. Charles Helton – Training/Community Outreach Coordinator

	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
									2022								
CALLS FOR SERVICE	824	945	925	813	770	819	764	802	738	671	753	878	1176	1160	1139	988	1001
OFFICER INITIATED CFS	73	118	95	77	98	92	96	86	66	53	105	209	486	484	414	388	289
DISPATCHED CFS	751	827	830	736	672	727	668	716	672	618	648	669	690	676	725	600	712
TRAFFIC CITATIONS	81	156	107	113	9	90	84	71	87	59	124	90	59	53	58	71	51
WRITTEN WARNINGS	167	379	239	251	331	267	323	327	338	275	490	425	286	274	182	234	168
ARREST	64	79	75	59	58	98	62	59	42	47	62	33	23	31	35	21	31
ACCIDENTS	19	31	27	29	33	15	24	22	23	14	24	17	21	28	29	21	37
DWI ARREST	2	6	2	2	1	5	3	0	1	3	1	1	4	3	0	2	1
(included above)																	
INCIDENT REPORTS																	
SENT TO CID	315	325	339	286	264	299	264	290	265	256	258	191	226	230	181	204	231
ASSIGNED	270	299	299	269	241	240	235	216	240	228	201	191	226	230	181	204	231
SUSPENDED	159	158	91	146	156	137	117	98	143	118	105	70	75	86	98	78	53
CLEARED	64	84	166	54	90	77	55	96	63	85	95	112	95	109	56	145	135
BURGLARY	12	23	12	9	4	15	18	15	10	12	4	1	5	5	2	19	15
ROBBERY	3	0	0	0	1	0	1	1	2	1	0	1	1	4	0	0	0
ASSAULT	49	35	37	31	36	33	27	40	27	26	23	12	10	31	22	19	32
POCS / POM*	6	11	4	8	11	6	11	12	5	9	6	2	3	3	4	2	0
SEXUAL ASSAULT	2	2	0	0	0	0	5	1	1	2	1	2	1	1	0	0	0

* Includes marijuana, cocaine, etc.

Oct	Nov	Dec	Jan	Feb	Mar	April	May
1037	1030	975	991	970	1092	1047	1077
362	295	321	299	371	364	331	304
675	735	654	692	599	728	716	773
58	48	25	42	53	94	29	74
240	152	185	187	231	241	134	185
38	35	25	30	31	31	28	27
19	44	35	50	35	39	41	39
2	3	2	3	1	1	1	0
229	249	212	247	179	240	204	233
229	249	212	247	179	240	204	233
126	90	71	86	59	120	141	59
121	112	80	84	55	111	102	89
7	14	17	14	3	7	10	23
0	1	3	0	0	2	1	1
28	27	31	26	15	41	29	32
3	0	1	2	3	2	2	1
4	0	0	0	2	0	3	2

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**Compatibility Report for Copy of Jan 2022 Monthly Report -
.xls
Run on 02/02/2022 16:35**

If the workbook is saved in an earlier file format or opened in an earlier version of Microsoft Excel, the listed features will not be available.

Minor loss of fidelity

**# of
occurrences** **Version**

Some cells or styles in this workbook contain formatting that is not supported by the selected file format. These formats will be converted to the closest format available.	17	Excel 97-2003
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City of Henderson
Animal Center
And Protection

Memo

To: Jay Abercrombie, City Manager

From: Charissa Pool, Animal Center and Animal Protection Director

cc: Cheryl Jimerson, City Secretary

Date: June 20, 2023

Re: Henderson Animal Center and Protection Monthly Report

Attached to this memo, please find the monthly activity report from Henderson Animal Center and Protection for May 2023.



Henderson Animal Center and Protection

May 2023



Lately, the Animal Center's emphasis has been on shaping unorthodox solutions to save lives in these unprecedented times. The center has 17 dog kennels. At any given point in time, there are 20-30 dogs average in our care. We take care of the stray, abandoned, and cruelly treated animals in the city limits, along with emergency intakes from Rusk County as we are able. The center stays overflowing with animals due to many factors. Shown below, are the current challenges slowing our outcome rates, specific issues we have been facing, and what we are doing in attempts to overcome those obstacles.



Challenges:

- Rise in emergency medical intakes
- Rise in unclaimed strays
- Rise in abandoned animals
- Rise in cruelty/neglect cases
- Procreation of unaltered animals
- Economic situation/inflation: animals are now a greater luxury than before with the rising costs of everything
- Increase in owner emergency intakes (health, death, eviction, etc)
- Flooded market: limited number of people wanting/able to adopt compared to the amount of animals needing homes
- Not enough room (nationwide) to encompass all of the displaced, abandoned, and unwanted animals
- Rescues over capacity nationwide

Steps Taken:

- Sending dogs to rescues outside of our area: nationwide and to Canada
- Waiving adoption fees when over capacity
- Public education on the importance of spaying/neutering, pet containment, and owner responsibilities
- Microchipping (to identify and get the animals home quickly)
- Adoption/rescue pick-up outside regular business hours
- Off site adoption events on weekends
- Spaying/neutering of the shelter animals to encourage adoptability
- Heartworm treatment before adoption to encourage adoptability
- Basic vaccines and parasite prevention to prevent illness, promote health, in turn encouraging adoptability and safeguard the other animals in our care decreasing medical costs
- Yard play, classical music, and one-on-one time lowers stress and allows dogs to decompress from the anxiety of shelter environment and encourage adoptability
- Animal pictures and videos collected and made to be displayed on social media: Facebook, 24 Petconnect, Petco Love Lost
- Staff networking: reaching out to rescue groups via social media, phone, and email on animals in need of saving
- Continuously expanding our rescue and resource network
- Partner programs such as Rusk County Second Chance Initiative prison program: an extra outlet for a few dogs at a time
- Creating new community participation events such as the Pro-Am Trainer challenge



May 9th: Henderson Middle School students came to volunteer for a few hours and bring donations:





May 16: Cherry, Calum, Rose, Porkchop, and Ahli made their debut at MTC Billy Moore Correctional Center for the Second Chance Initiative program:







Abandoned mom and pups in need of emergency medical care were taken in to an already crowded shelter. Pups were loaded and dying from parasites and mom was malnourished. Staff went to work quickly and effeciently and were able to save them.





We welcomed Sydney Roebuck to the team as a part time kennel technician:



Two by two: We had several dogs rescued in pairs!







‘Tis the season: We’ve had bottle babies galore!

We educate the public on the importance of having their pets fixed to prevent unwanted litters, Meanwhile, our staff volunteer their time and sacrifice their sleep to make sure they are well cared for. Occasionally, we luck out and have an amazing nursing mom like “Cope” that will take on more kittens than their own.

Cope has raised over 14 babies for us, letting the staff get some much needed sleep.





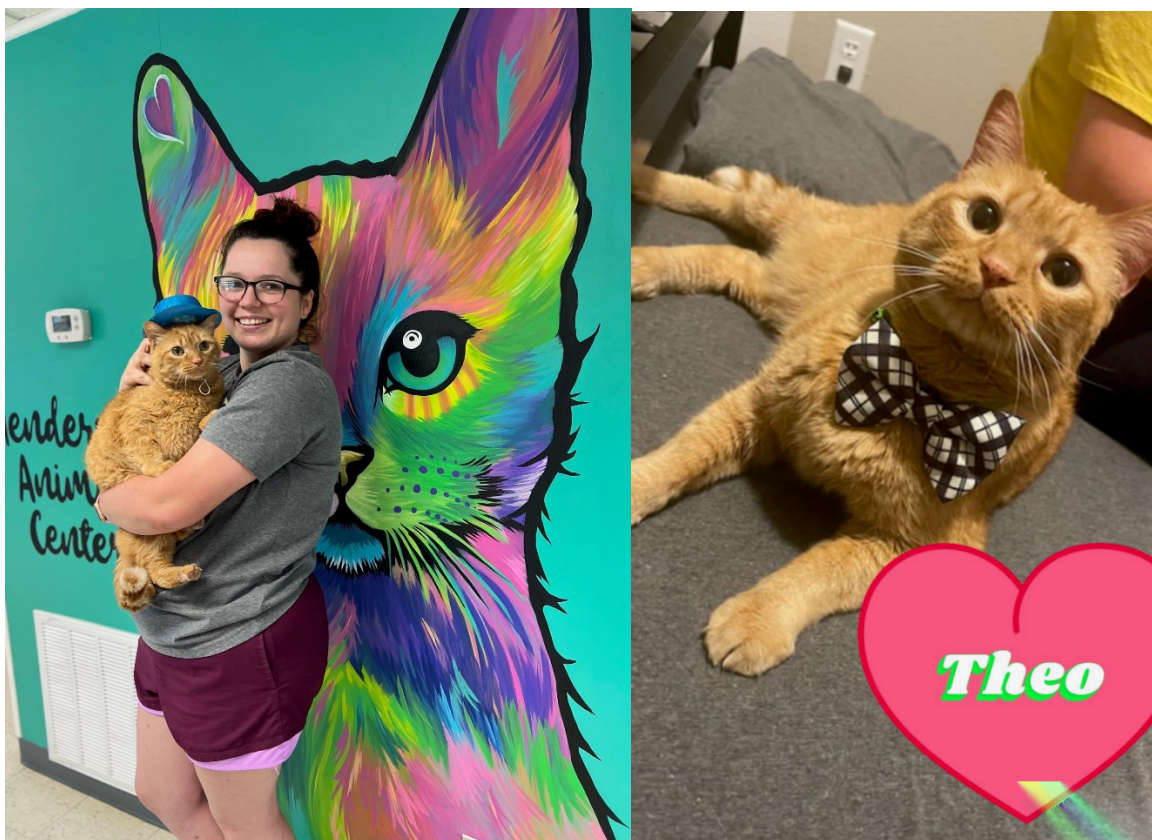
Here are a few of our happy outcomes:







Theo has found a home where he can be a distinguished gentleman around the clock! Check out that bow tie!



We are gearing up for our first Pro-Am trainer challenge!



It is a busy time of the year for our Animal Protection Officers. There has been a significant rise in snake and wildlife calls:





**We are blessed with such a caring, hardworking, and dedicated staff!
In the face of neverending droves of animals coming through our doors, trying
situations, extreme heat/cold, loud noise, and big messes to clean up, they come
to work every day ready to make a difference with great attitudes.**



Henderson Animal Center and Protection

Monthly Report

Month of: MAY

Year: 2023

Inside City Limits

Number of Dogs:	7	Year to Date:	40
Number of Cats:	12	Year to Date:	77
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	19	Year to Date:	117

ACOPU

Number of Dogs:	24	Year to Date:	110
Number of Cats:	7	Year to Date:	58
Number of Others:	7	Year to Date:	35
TOTAL Number of Animals:	38	Year to Date:	203

Outside City Limits

Number of Dogs:	17	Year to Date:	67
Number of Cats:	18	Year to Date:	101
Number of Others:	7	Year to Date:	10
TOTAL Number of Animals:	42	Year to Date:	178

Rusk County Sheriff's Department

Number of Dogs:	1	Year to Date:	6
Number of Cats:	0	Year to Date:	0
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	1	Year to Date:	6

City of Overton

Number of Dogs:	0	Year to Date:	1
Number of Cats:	0	Year to Date:	2
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	0	Year to Date:	3

City of Tatum

Number of Dogs:	0	Year to Date:	0
Number of Cats:	0	Year to Date:	0
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	0	Year to Date:	0

City of New London

Number of Dogs:	0	Year to Date:	1
Number of Cats:	0	Year to Date:	1
Number of Others:	0	Year to Date:	0
TOTAL Number of Animals:	0	Year to Date:	2

TOTAL of Animals Received

Number of Dogs:	48	Year to Date:	216
Number of Cats:	37	Year to Date:	237
Number of Others:	14	Year to Date:	45
TOTAL this Month:	99	Year to Date:	498

Animals Reclaimed

Number of Dogs:	7	Year to Date:	54
Number of Cats:	0	Year to Date:	2
Number of Others:	0	Year to Date:	3
TOTAL this Month:	7	Year to Date:	59

Animals Adopted

Number of Dogs:	19	Year to Date:	137
Number of Cats:	32	Year to Date:	221
Number of Others:	6	Year to Date:	16
TOTAL this Month:	57	Year to Date:	374

<i>Monthly Adoption Breakdown:</i>	<i>Dogs Adopted:</i>	8	<i>Dogs Rescued:</i>	11
	<i>Cats Adopted:</i>	8	<i>Cats Rescued:</i>	24
	<i>Others Adopted:</i>	0	<i>Others Rescued:</i>	6

Animals Euthanized

Number of Dogs:	8	Year to Date:	14
Number of Cats:	2	Year to Date:	4
Number of Others:	0	Year to Date:	0
TOTAL this Month:	10	Year to Date:	18

<i>Monthly Euthanasia Breakdown</i>	<i>Sick:</i>	<i>Injured:</i>	<i>Aggressive:</i>
<i>Dogs:</i>	0	0	8
<i>Cats:</i>	0	2	0
<i>Other: (Non-Wildlife)</i>	0	0	0

<u>Animals Held for Rabies Quarantine:</u>	4	Year to Date:	27
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<u>Animals Tested for Rabies:</u>	5	Year to Date:	15
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<u>Animal Complaints Received:</u>	688+	Year to Date:	4,888+
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<u>Deceased on Arrival (disposal):</u>	5	Year to Date:	33
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<u>Died in Care:</u>	2	Year to Date:	9
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Animal Protection Activity

Warnings Issued:	9	Year to Date:	160
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Citations/Complaints signed:	9	Year to Date:	62
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Calls for Service during hours:	67	Year to Date:	549
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Calls for Service after hours:	5	Year to Date:	17
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Seizures:	0	Year to Date:	1
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Wildlife Euthanasia (sick or injured):	0	Year to Date:	0
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Wildlife Release:	5	Year to Date:	11
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Traps Set:	19	Year to Date:	115
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Community Development Department

300 West Main Street

Henderson, Tx 75652

Phone: 903-392-0786

Fax: 903-657-0015

Monthly Report

To: Mayor and City Council Members

From: Cliff McElfresh

RE: Summary for the Month of May, 2023

MONTHLY TOTALS BUILDING CONSTRUCTION VALUE: May, 2023 \$5,722,727.69

MONTHLY TOTALS BUILDING CONSTRUCTION VALUE: May, 2022 \$109,843.00

ANNUAL TOTAL BUILDING CONSTRUCTION VALUE: TO DATE 2023 \$12,174,696.70

ANNUAL TOTAL BUILDING CONSTRUCTION VALUE: Thru April 2022 \$2,272,268.00

BUILDING INSPECTORS REPORT

CODE ENFORCEMENT REPORT

Building Inspections	8	Food Establishment Inspections	11
Electrical Inspections	11	Food Truck/Trailer Permits	9
Plumbing Inspections	1	High Grass & Weeds	43
Mechanical Inspections	4	Junk Vehicles	4
Stop Work Orders	1	Illegal Signs	47
Other-Driveway, slab, etc.	6	Sub-Standard Structure Inspections/Notifications	6
Residential Plan Review	1	Illegal Dumping /Road debris/Illegal storage	3
Commercial Plan Review	3	Restaurant Grease Trap Inspection	10
Sign Permits Review	8	Abatements	1
Certificate of Occupancy	6	Other	25

Commercial Building Permits Issued	2
Residential Building Permits Issued	9
Residential Demo Permits Issued	0
Residential Roof Permits Issued	196
Commercial Roof Permits issued	3
Commercial Demo Permit Issued	0

Planning & Zoning: The Planning & Zoning Commission did not meet in may.

Board of Adjustments: The Board of Adjustments Met on May 9,2023 to consider an application submitted by Catherine Parry for Special Exception Use for nail salon to be operated in a R1 zoned district. The variance was not approved.

Items of interest: Construction has begun on 2 new commercial buildings and a multi-family townhome. West Fraser is still working on their infrastructure and progressing at a good pace. A new Cell Phone store will soon be opening its doors soon.

Submitted by: Cliff McElfresh, Community Development Mgr.

Date:06/02/2023

Billy Hughes, Planning and Zoning Administrator



To: Jay Abercrombie, City Manager
From: Kirk Kimbrell, Director of Public
Services

May 2023 Public Services Monthly Report



Special Projects and Updates:

- Frontier & Sparklight fiber optic internet is currently being installed throughout the city. Public Services a crew dedicated to locating city utilities during the install to protect the City's water, sewer, and storm sewer infrastructure.
- Completed installation of Industrial Dr culvert from 36" to 66". The 36" culvert wasn't large enough and was causing major erosion issues on the edge of the roadway during heavy rains.
- New water meters are being installed throughout town by Performance Services. Approximately 1600 new meters have been installed.
- Keep Henderson Beautiful won their 4th Governor's Community Achievement Award.
- Continually updating GIS mapping throughout the city.
- Assisting City of Overton with utilities distribution and sewer collection system maintenance.
- Public Services supervisors attended Leadership Training provided by Express Pros Personnel.

Maintenance Work:

May 1st – 6th, 2023

- Street & Utility crews – Repair old HEDCO building damage caused by broken water line in the ceiling, utility locates for fiber optic installation throughout town, hotmix asphalt repairs on Glendale, Jonell, Rockford, Waskom, and Winter, graded drainage ditch on Whippoorwill, repaired storm drain on Cindy Lou, video inspection on Thompson St storm drain, corrected drainage at Public Services Warehouse, patched potholes throughout town, cut low hanging limbs hanging in roadways.
- Parks and Recreation – Mow parks, cemeteries, and city-owned properties, spray selective and non-selective herbicide, trimmed low hanging limbs at Fair Park, leveled holes at Fair Paws Dog Park, and boom mow and bush hog street Right-of-ways.
- Buildings and Grounds Maintenance – repaired air conditioner at Southside

Wastewater Plant, installed surveillance camera wiring at the Community Center, repaired air conditioner at the Community Center, repaired water faucet in Fair Park restrooms, replaced soap dispenser in Fair Park restroom, installed lighting under covered parking at the Police Department, cleared drain line on City Hall air conditioner, and inspected hail damage at City facilities with insurance adjuster.

May 7th –13th, 2023

- Street & Utility Crews – remodel City Hall, repair old HEDCO building damage caused by broken water line in the ceiling, utility locates for fiber optic installation throughout town, patched potholes throughout town, cut low hanging limbs in street, cleaned rights-of-way on Marie, Plum, and Honeysuckle, hotmix asphalt repair on Winter, repaired French drain on Cindy Lou, filled sink hole at 600 Shawnee St, ran sewer line at RCPA Building, picked up mattress on Whippoorwill, and cleaned ditch at 1405 Whippoorwill.
- Parks and Recreation - Mow parks, cemeteries, and city-owned properties, spray selective and non-selective herbicide, update/convert cemetery records to GIS, leveled 15 graves at Lakewood Cemetery, and blocked streets from flooding rain.
- Buildings and Ground Maintenance – changed air filters and tightened belts on Civic Center air conditioners, reset time clock for downtown street lights, repaired ice maker at Fire Station #1, repaired damaged light strand at the Alley on Main, install wiring, receptacles and lights at RCPA Building, repaired damaged door sensor at the Animal Center, inventory and order street signs, repaired air conditioner at the Civic Center, and replaced thermostat at the Community Center.

May 14th – 20th, 2023

- Street & Utility Crews – remodel City Hall, repair old HEDCO building damage caused by broken water line in the ceiling, patch potholes throughout town, utility locates for fiber optic installation throughout town, cleaned ditch and culvert at 1905 East Main, asphalt street repair on Waskom and Jonell, barricaded sink hole at Urgent Care from storm drain damage, removed fallen trees on Dallas and East Main from storm, deliver old water meters to Howell Recycling, repaired crew truck, drainage at Public Services Warehouse, repaired asphalt roller, cleaned out clogged storm drain on Slaydon, repaired tailgate on dump truck, poured concrete on Cindy Lou, cleaned storm drain inlet box at 1600 HWY 79, and leveled wash beside Randall Dodge.
- Parks and Recreation - Mow parks, cemeteries, and city-owned properties, sprayed selective and non-selective herbicides on City maintained properties, and cut limbs hanging into trails at Fair Park and Yates Park.
- Buildings and Grounds Maintenance – repaired damaged time clock for South Main globe lights, rewired lamp post on South Main and upgraded to LED, repaired damaged electrical outlet at Public Services Warehouse, made street signs, replaced fire alarm batteries at the Civic Center, installed flag drop box at Fire Station #1, and met with insurance adjuster about vehicle hail damage claims.

May 21st – 31st, 2023

- Street & Utility Crews – Repair old HEDCO building damage caused by broken water line in the ceiling, patched potholes throughout town, utility locates for fiber optic installation throughout town, hotmix asphalt repair on South Main, Ragley, Cindy Lou, and Jonell, replaced storm drain at Urgent Care, replaced storm drain at 809 Whippoorwill, and leveled road on Glendale.
- Parks and Recreation - Mow parks, cemeteries, and city-owned properties, spray selective and non-selective herbicide, removed fallen tree at Yates Park, and weed beds at old City Hall.
- Buildings and Grounds Maintenance – repaired ice machine at Public Services Warehouse, installed electric receptacle at the Community Center,

repaired leaking water valve at Fair Park splash pad, bleached and scrubbed mildew on sidewalks at Fair Park, turned off school zone lights for the summer, repaired burnt wiring at Fire Station #1, cleaned flower beds at Hwy 79 welcome to Henderson sign, cleaned Public Services Warehouse, and pressure washed Lake Forest Restrooms.

May 2023 WATER PRODUCTION/ WASTEWATER TREATMENT



WELLS	51.523
SURFACEWATER	32.676
COMPLAINTS	6
2 complaints due to Well #14 out of service	
FIRE HYDRANTS FLUSHED	8
GALLONS FLUSHED	0. .225



NORTHSIDE WASTEWATER TREATED	15.099 MG
SLUDGE	21 cubic yards
SOUTHSIDE WASTEWATER TREATED	70.898 MG
SLUDGE REMOVED	300 cubic yards
MONTHLY RAIN FALL	6.8 inches



1,444 New meters installed as of 06/13/2023

Updated every Tuesday



The pictures above are of the Clarifiers #2 at the Surface Water Treatment Plant and of the Ground Storage Tank at Willow Lake Pump Station.



To: City of Henderson Council Members
Jay Abercrombie, City Manager

From: Karen Arnall, Finance Director

Subject: Monthly Report

Date: June 15, 2023

- Investment Report for Apr 2023-see attached report
- Hotel-Motel Occupancy Tax for Apr 2023-see attached report

Water/Sewer/Garbage Billing Recap Month Ending 4/30/2023

Type of service	Amount Billed	Consumption Billed	Count	
Garbage	\$ 170,579.38	-	5,416	-
Sales tax on garbage	\$ 12,750.78	-		-
Sewer Charges	\$ 185,580.70	32,501,366	4,430	-
Water Charges	\$ 236,406.89	51,305,575	4,766	
Sprinkler	\$ 6,163.27	1,091,870	357	-
Penalty	\$ 8,785.87	-	773	-
Water Taps	\$ 1,300.00	-	2	-
Sewer Taps	\$ 550.00	-	1	-
Service Chg/Back Flow	\$ 312.00	-	3	
Total Billing	\$ 409,662.89	84,898,811	15,748	

**INVESTMENT SUMMARY REPORT
OCTOBER 1, 2022-APRIL 30, 2023**

FUND	AMOUNT								INT		
	INVESTED	Oct	Nov	Dec	Jan	Feb	Mar	Apr	TOTAL	RECEIVED	Y-T-D
	OCT 1,2022	Change	Change	Change	Change	Change	Change	Change	INVESTED	IN APR	INTEREST
GENERAL FUND	1,468,776	-1,213,659.00	412,788.00	-233,006.00	912,151.00	1,419,522.00	-673,975.00	-627,205.00	1,465,392	10,450	42,477
GF-RESTRICTED	66,498	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66,498		
GF-MIN. RESERVE	1,800,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,800,000		
GF-MISC A/R	210,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	210,000		
GENERAL -DEBT	265,191	20,911.00	38,572.00	46,629.00	312,276.00	172,934.00	-136,709.00	7,971.00	727,775	1,017	5,722
GENERAL CONSTR.	179,597	-31,117.00	-30,535.00	-19,445.00	-58,906.00	39,633.00	-22,605.00	872.00	57,494	81	848
EQUIPMENT REPL	365,316	141.00	648.00	741.00	792.00	755.00	859.00	146,845.00	516,097	916	4,852
STREET & DRAINAGE	293,160	-142,356.00	-12,048.00	-6,522.00	35,299.00	-83,092.00	-20,195.00	61,768.00	126,014	65	436
CEMETERY FUND	57,590	1,432.00	1,434.00	437.00	1,439.00	436.00	1,242.00	1,039.00	65,049	41	260
ANIMAL SHELTER	34,003	-306.00	409.00	14.00	955.00	-1,504.00	2,406.00	2,008.00	37,985	15	101
W/S FUND	353,122	-3,278.00	146,478.00	-144,561.00	342,360.00	-157,218.00	-138,576.00	-45,780.00	352,547	2,438	14,956
W/S MIN.RESERVE	800,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	800,000		
W/S- DEBT SERVICE	21,322	9.00	10.00	11.00	11.00	37,000.00	-28,744.00	14.00	29,633		
W/S-RESTRICTED	106,592	0.00	0.00	0.00	0.00	0.00	0.00	0.00	106,592		
W/S CONSTR.	153,331	-1,893.00	65.00	2,610.00	70.00	-137,261.00	5,791.00	65,606.00	88,319	24	364
MAIN STREET	22,542	-686.00	-176.00	-642.00	-932.00	1,726.00	-4,279.00	11,661.00	29,214	10	58
TOURISM	150,243	9,557.00	13,532.00	-208.00	-5,717.00	9,235.00	5,133.00	17,878.00	199,653	80	490
CIVIC CENTER	82	0.00	0.00	0.00	0.00	1.00	0.00	0.00	83	1	1
INSURANCE RESERVE	11,419	4.00	5.00	4.00	4.00	4.00	5.00	4.00	11,449	4	28
2018 BOND SERIES	892,356	1,374.00	-5,363.00	-8,500.00	1,684.00	1,893.00	2,153.00	2,185.00	887,782	2,185	13,076
TOTALS	7,251,140	-1,359,867.00	565,819.00	-362,438.00	1,541,486.00	1,304,064.00	-1,007,494.00	-355,134.00	7,577,576.00	17,328	83,669

This report is in compliance with our investment strategies as approved by council and the Public Investment Act.

Director of Finance, Karen Arnall

City Manager, Jay Abercrombie

**Hotel-Motel Occupancy Tax
Monthly Reporting for
April 2023**

DATE RECEIVED	TAX FOR MONTH	HOTEL NAME	TAXABLE MONTHLY RECEIPTS	7% TAX	1% RETAINER	AMOUNT PAID
5/9/2023	Apr	Baymont Inn	127,405.31	8,918.37	89.18	8,829.19
5/4/2023	Apr	Budget Inn (Sawan LLC)	24,188.00	1,693.16	16.93	1,676.23
5/18/2023	Apr	Economy Inn	5,409.02	378.63	3.79	374.85
5/2/2023	Apr	Holiday inn Express(Jayani Investments)	147,714.00	10,339.98	103.40	10,236.58
5/2/2023	Apr	Woodlawn Hills (Patel & Sons LTD)	29,975.00	2,098.25	20.98	2,077.27
5/9/2023	Apr	Motel 6	90,026.82	6,301.88	63.02	6,238.86
		Totals	424,718.15	29,730.27	297.30	29,432.97

SALES TAX MONEY

2022-2023 SALES TAX ALLOCATION					
DATE	AD VALOREM TAX	H.E.D.C. SHARE	GENERAL FUND	TOTAL DEPOSIT	DIFFERENCE FROM LAST YEAR
Oct-22	163,729.09	163,729.09	327,458.18	654,916.36	107,899.50
Nov-22	208,295.39	208,295.39	416,590.78	833,181.55	121,406.76
Dec-22	164,491.11	164,491.11	328,982.22	657,964.44	85,708.70
Jan-23	168,489.10	168,489.10	336,978.21	673,956.41	90,311.38
Feb-23	227,917.72	227,917.72	455,835.43	911,670.86	169,607.75
Mar-23	138,613.74	138,613.74	277,227.47	554,454.94	-6,161.02
Apr-23	169,499.54	169,499.54	338,999.08	677,998.16	168,041.12
May-23	229,210.23	229,210.23	458,420.47	916,840.93	-4,500.45
Jun-23	180,538.01	180,538.01	361,076.01	722,152.02	91,230.66
Jul-23	0.00	0.00	0.00	0.00	
Aug-23	0.00	0.00	0.00	0.00	
Sep-23	0.00	0.00	0.00	0.00	
TOTAL	1,650,783.92	1,650,783.92	3,301,567.84	6,603,135.67	823,544.40



Monthly Report

To: Mayor and City Council Members

From: Cheryl Jimerson, City Secretary

Date: June 20, 2023

Re: May 2023 Monthly Report

City Hall

- City Secretary
 - May 11 Attended Officer's Memorial and Lunch at the Civic Center.
 - Took vacation May 17, 18 & 19, also took a PTO day May 31.
 - May 23 Attended Truth in Taxation Seminar in Tyler
 - May 29 Holiday
 - Continued working with this district's rep from the Texas State Library and Municipal Clerks in Texas on establishing electronic data as our official records to be able to dispose of paper documents.
 - Registered with the Texas Municipal Clerks Association to get my certification.
 - Received Course 1, Module 2 handbook for homework. Completed
 - Received Course 1 Module 4 handbook for homework. Completed
 - Received Course 1 Module 3 handbook for homework.
 - Working to become a Certified Retention Schedule Manager.
 - May 24, 25 & 26 in Austin, Cyber Security training required for the Records Management Certification.
 - Received, responded, or corresponded to open records requests.
 - Corresponded by email with Civic Plus for Ordinance Codification through Civic Plus is nearing the completion of the codification process. Expect to see it operational sometime in April. *This is taking longer than projected but well on it's way to be completed.
 - Attended Management Meetings.
 - Attended Council Meeting.
 - Worked with City Attorney office on ordinances and resolutions.

- Approved and/or entered requisitions and other day to day operations.
- Answered incoming calls and/or returned calls and met with citizens about various reasons throughout the month.
- Working to bring Bradshaw State Jail in with a voluntary annexation proposal.
 - Corresponded with Joshua Whitney with the Texas Land and Mineral Department he is working on the Bradshaw voluntary annexation application (last correspondence was May 5).
 - HEDCO annexation application for the East Texas Business Park process will start as soon as the Bradshaw State Jail has been annexed.

Hi, Cheryl Jimerson, Discover trends in your work habits

An in-depth look at your work patterns in January



Explore your insights



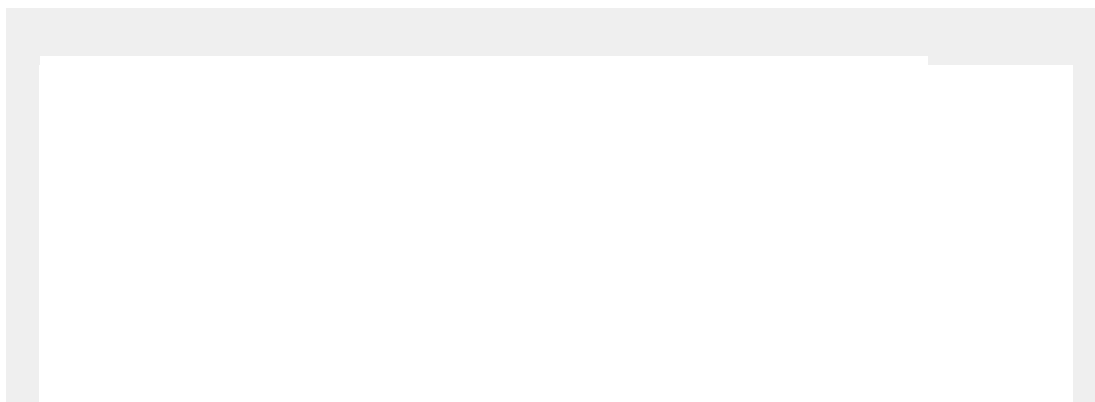
24 days without quiet hours interruptions

Days with no significant collaboration outside your working hours

12% Collaboration time

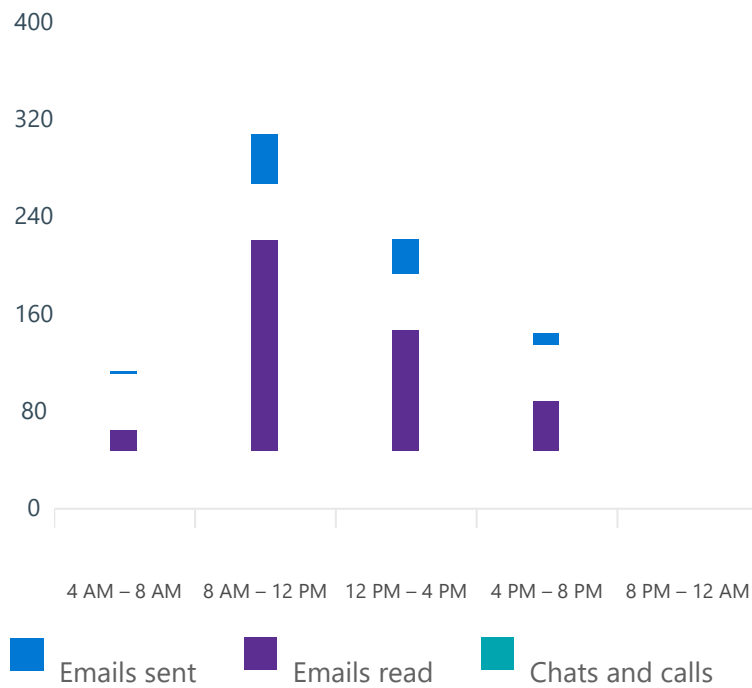
spent in meetings, emails, chats, and calls weekly

Keep up the good work!



How connected are you throughout the day

A breakdown of your email, chat and call activity throughout the day, from data over the last four weeks.



Take a deeper look

Focus

88% Time available to focus in a typical week

- Front Desk Executive
 - Updating the calendar for the shared conference room and Council Chambers at City Hall.
 - Organized the Fun Food Day menu that is scheduled on the 3rd Friday of each month.
 - Organizing City Hall records.
 - Answered and transferred calls that come in for each department.
 - Scan records for electronic storage.
 - Made sure all incoming mail was sent to the appropriate departments.
 - Place postage on all out-going mail.
 - Entered purchase orders.
 - Enter timesheets.
 - Searched for records pertaining to ordinances and/or resolutions for the City Secretary.
 - Folding and stuffing second notices for water department twice a month
-



Social Media Monthly Report

Facebook Reach
(Cumulative)

967,766

New Followers

831
(+2.4%)

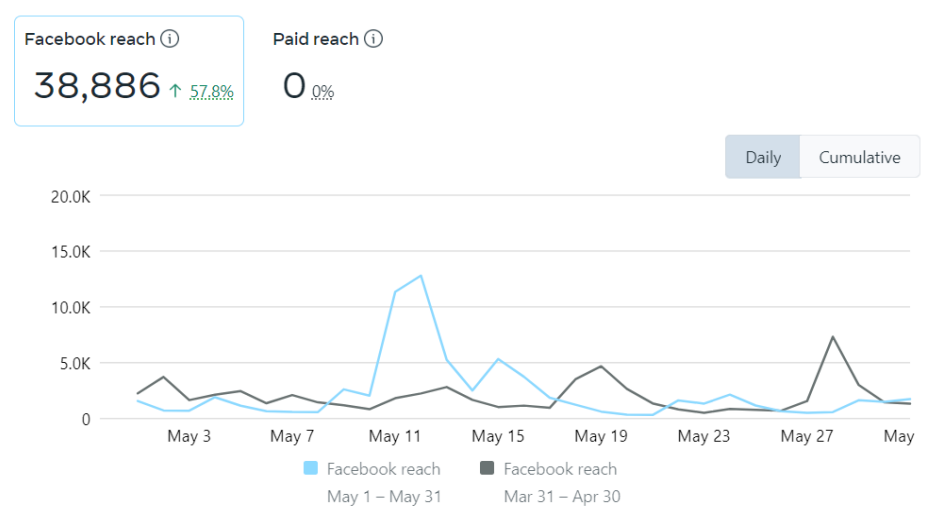
Reactions

11,003

Shares

1,344

Organic Page Visits



Current Followers



114 (+2%)



180

Accounts Reached



76

Views



57

Best post in May 2023 Snapshot

Reach

15,703

Reactions

338

Shares

7



HEDCO SALES TAX RECEIPTS HISTORY

Sales Month	Check Received Month	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000
AUGUST	OCTOBER		38,548	36,197	37,403	43,615	43,743	45,133	43,378
SEPTEMBER	NOVEMBER		58,170	59,062	53,862	54,472	61,268	67,745	60,108
OCTOBER	DECEMBER	26,898	34,289	33,121	31,637	45,934	44,271	46,166	55,469
NOVEMBER	JANUARY	34,466	40,048	50,644	35,998	36,900	39,058	40,237	44,788
DECEMBER	FEBRUARY	66,400	65,598	63,055	57,486	67,599	72,385	79,705	65,828
JANUARY	MARCH	32,279	31,172	33,161	35,558	42,066	37,413	38,909	47,912
FEBRUARY	APRIL	30,617	34,455	33,221	45,104	40,731	40,610	45,303	46,995
MARCH	MAY	55,433	52,448	53,933	54,102	57,676	61,795	66,026	65,237
APRIL	JUNE	35,656	36,285	35,147	40,376	42,114	50,487	48,953	46,288
MAY	JULY	35,704	35,612	37,804	38,755	42,613	44,454	48,043	50,643
JUNE	AUGUST	56,455	60,479	57,700	61,328	60,099	68,203	60,864	65,906
JULY	SEPTEMBER	35,503	33,121	36,831	49,029	49,767	48,094	45,344	49,843
TOTAL		409,411	520,225	529,876	540,638	583,586	611,781	632,428	642,395
Average Monthly Sales Tax:		40,941	43,352	44,156	45,053	48,632	50,982	52,702	53,533
Annual % Change Over the Previous Year			27.07%	1.86%	2.03%	7.94%	4.83%	3.37%	1.58%

Sales Month	Check Received Month	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
AUGUST	OCTOBER	49,572	58,284	48,837	56,577	54,801	82,519	85,356	87,078
SEPTEMBER	NOVEMBER	59,757	73,834	64,109	70,315	72,264	80,573	100,384	121,188
OCTOBER	DECEMBER	57,388	55,476	48,859	48,045	54,868	66,909	75,575	83,539
NOVEMBER	JANUARY	47,961	48,417	46,007	48,377	55,768	75,685	72,105	88,099
DECEMBER	FEBRUARY	73,487	81,480	64,590	76,014	81,875	102,065	111,520	141,454
JANUARY	MARCH	48,080	42,784	44,274	51,551	51,428	67,088	71,346	57,698
FEBRUARY	APRIL	46,582	46,678	44,678	50,425	62,545	77,568	77,833	84,927
MARCH	MAY	66,004	65,071	63,256	70,803	80,858	91,113	112,557	113,913
APRIL	JUNE	54,487	50,901	51,519	54,893	60,060	79,527	94,809	92,131
MAY	JULY	54,980	49,222	49,936	51,277	61,354	82,635	90,307	110,175
JUNE	AUGUST	71,779	71,920	67,805	73,543	88,459	98,619	118,741	124,099
JULY	SEPTEMBER	53,936	51,693	58,630	52,730	63,193	72,496	81,438	105,559
TOTAL		684,013	695,760	652,500	\$ 704,550	787,473	976,797	1,091,971	1,209,860
Average Monthly Sales Tax:		57,001	57,980	54,375	\$ 58,713	65,623	81,400	90,998	100,822
Annual % Change Over the Previous Year		6.48%	1.72%	-6.22%	7.98%	11.77%	24.04%	11.79%	10.80%

HEDCO SALES TAX RECEIPTS HISTORY

Sales Month	Check Received Month	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
AUGUST	OCTOBER	111,268	76,298	87,499	\$ 84,071	92,147	114,011	116,949	121,718
SEPTEMBER	NOVEMBER	134,059	97,160	106,938	\$ 106,441	114,084	119,394	148,033	149,725
OCTOBER	DECEMBER	128,139	74,526	85,724	\$ 85,001	93,729	99,139	119,562	120,511
NOVEMBER	JANUARY	118,278	75,375	80,897	\$ 86,133	91,079	92,381	109,862	108,103
DECEMBER	FEBRUARY	146,434	96,298	120,034	\$ 120,338	121,444	133,265	147,853	145,156
JANUARY	MARCH	101,087	72,740	73,132	\$ 83,391	83,926	93,906	106,330	101,430
FEBRUARY	APRIL	101,860	72,550	72,002	\$ 90,348	94,535	96,345	113,852	112,599
MARCH	MAY	120,755	106,538	111,326	\$ 126,183	118,964	135,024	140,828	142,354
APRIL	JUNE	96,023	83,877	82,698	\$ 95,591	100,456	113,739	116,123	104,961
MAY	JULY	94,426	78,745	79,889	\$ 101,797	103,080	129,549	110,049	101,897
JUNE	AUGUST	113,557	110,237	116,504	\$ 120,043	122,602	141,380	140,858	132,394
JULY	SEPTEMBER	75,248	79,339	85,237	\$ 88,084	98,996	114,067	125,934	101,024
TOTAL		1,341,134	1,023,683	1,101,880	\$ 1,187,421	1,235,042	1,382,200	1,496,233	1,441,872
Average Monthly Sales Tax:		111,761	85,307	91,823	\$ 98,952	102,920	115,183	124,686	120,156
Annual % Change Over the Previous Year		0.11	-23.67%	7.64%	7.76%	4.01%	11.92%	8.25%	-3.63%

Sales Month	Check Received Month	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
AUGUST	OCTOBER	108,069	99,446	113,001	\$ 94,789	119,769	136,754	163,729	
SEPTEMBER	NOVEMBER	132,067	124,141	138,028	\$ 142,246	141,434	177,944	208,295	
OCTOBER	DECEMBER	100,965	95,324	114,866	\$ 113,405	113,333	143,064	167,491	
NOVEMBER	JANUARY	96,254	100,353	110,701	\$ 110,843	112,738	145,911	168,489	
DECEMBER	FEBRUARY	123,378	147,969	139,736	\$ 141,342	161,211	185,516	227,918	
JANUARY	MARCH	101,565	97,139	105,806	\$ 113,262	116,200	140,154	138,614	
FEBRUARY	APRIL	97,772	102,039	102,197	\$ 106,063	99,301	127,489	169,500	
MARCH	MAY	151,778	148,855	141,682	\$ 147,519	168,499	230,335		
APRIL	JUNE	99,509	128,332	111,569	\$ 130,329	143,875	157,730		
MAY	JULY	98,978	111,018	118,162	\$ 150,050	147,755	155,829		
JUNE	AUGUST	111,408	141,389	135,709	\$ 169,353	168,612	192,135		
JULY	SEPTEMBER	93,383	114,001	124,498	\$ 115,717	139,587	161,760		
TOTAL		1,315,126	1,410,006	1,455,955	\$ 1,534,918	1,632,314	1,954,621	1,244,036	-
Average Monthly Sales Tax:		109,594	117,501	121,330	\$ 127,910	136,026	162,885	177,719	#DIV/0!
Annual % Change Over the Previous Year		-0.09	7.21%	3.26%	5.42%	6.35%	19.75%	-36.35%	-100.00%

CIVIC CENTER/PAVILION MONTHLY REPORT

MAY

2023

CIVIC CENTER

Rental

Entire Hall	7	Prayer Breakfast, West Rusk Athletic Banquet, HHS Prom, Gala of Hope, Chamber/TWC Job Fair, United Way Sock Hop, Cinco de Mayo Festival Bowman Oil, Waste Connections Law Enforcement Luncheon, Suarez graduation Dinner, Chamber Val/Sal Reception, J Ellis Graduation Party, Etx City Manager Luncheon, Bazaldua Graduation party, Hinton Graduation party, E Milan Engagement
1/3 Hall	9	HISD Banquet, Learning Tree Graduation, New Life Church Sunday Service (3x), HBBA Meeting
2/3 Hall	6	Renaissance Club, TX Nationalist Movement, Esparza baby Shower, Tomlin Piano Recital, Main St Meeting, Knight Graduation Party, E Prior Party
Reception Room	7	
Board Room	3	Body Shop Wellness (3x)
	TOTAL	32

PAVILIONS

Rental

Yates Park	8	Cushing Kind, Jones, Tatum ISD, Carlisle ISD, Bahr, Kierce, Olague, FUMC Preschool Hodkinson, Bishop, Muckleroy, Sibley, Russell, Full Armor, Maines, Mills, Akins, McDonald, McGee, Carlisle ISD, HISD,
Fair Park	15	Lawfin, Gonzalez
Lake Forest-Lion	4	Rains, West Rusk Elementary, Gaule, Carlisle ISD
Lake Forest-Mann	2	Willard, Carlisle ISD
Lake Forest-Azalea	3	Forbus Fam Reun, Carlisle ISD, McFall
Lake Forest-Plaza	2	HISD Band, 1st Baptist Youth
	TOTAL	34

MAY 2023

NETTC MEETING

This month I traveled to Bonham, TX, for a Northeast Texas Tourism Council meeting. Group discussions included new advertising methods, digital advertising, how to effectively collect tourism leads, and 2024 Travel Shows. While in Bonham we toured their Visitor's Center and historic downtown. After lunch, Judge Louise Goodwater gave us a tour of the Fannin County Courthouse, which has recently been restored with the assistance of the Texas Historical Commission.



The Commissioners Courtroom still has the original tile, wood flooring, wood wrapped balcony, and hand-painted wallpaper. Another interesting feature is that the entire courthouse is painted a robin's egg blue shade, which was the original wall color. (above)

The courthouse has several original "Egyptian Doors" dating back to the late 1800's. (below)



PINEY WOODS WINE FESTIVAL

Stephanie and I worked the NETTC booth at the Piney Woods Wine Festival in Lindale this month. We handed out annual East Texas Event Guides and spoke to attendees about Henderson, and the Syrup Festival.

MAIN STREET TRAINING

This month Texas Main Street started an in-depth training for "new" Main Street coordinators, or anyone with less than three years experience with their Main Street city. This is the first formal training held for Main Street coordinators since 2019, and I'm looking forward to the topics they have planned to cover. The first webinar of the series was an overview of the benefits and resources available through Main Street America and the Texas Main Street program.

MONTHLY OVERVIEW

May 2nd - CivicRec Followup Call

-Downtown Stakeholder Meeting

May 3rd - Decorated for Community Prayer Breakfast

May 12th - Piney Woods Wine Fest (NETTC Booth)

May 17th - NETTC Meeting in Bonham

May 19th - Preservation Planning Webinar

May 22nd - Customer Service Training

May 23rd - Main Street Advisory Board Meeting

May 24th - KTBS Shreveport Zoom Meeting (Syrup Festival Ads)

May 30th - Texas Main Street Membership Overview Webinar

May 31st - Customer Service Training

During the month of May, the Preservation Committee and Main Street Committees did not meet.



City of Henderson

Monthly Report

To: Mayor and City Council Members

From: Cristina Soriano, Juvenile Case Manager and Court Administrator

Date: May 11, 2023

Re: April 2023 Monthly Report

MUNICIPAL COURT

Fines collected for 2022-2023 year – \$96,617.30 from 3720 transactions

Fines collected for 2021-2022 year- \$125,436.49 from 4,385 transactions

Fines Collected April 2023 - \$16,107.00 from 623 transactions

Fines Collected April 2022 – \$21,874.70 from 744 transactions

Virtual open Court Cases Scheduled 38 Appeared 12 by virtual and including walk-ins



City of Henderson

Monthly Report

To: Mayor and City Council Members

From: Monica Session on behalf of:
Cristina Soriano, Juvenile Case Manager and Court Administrator

Date: June 6, 2023

Re: May 2023 Monthly Report

MUNICIPAL COURT

Fines collected for 2022-2023 year – \$108,653.40 from 4221 transactions

Fines collected for 2021-2022 year- \$142,320.49 from 4994 transactions

Fines Collected April 2023 - \$12,036.10 from 501 transactions

Fines Collected April 2022 – \$16,883.85 from 609 transactions

Virtual open Court Cases Scheduled 17 Appeared 11 by virtual and including walk-ins

May 9, 2023

The Board of Adjustments met on the above date at 9:05 a.m. Members present were Alton Pryor, Cecilia Koch, Freddie Polk, Kenneth Orr, Micah Johnson, Allen Stanley, and Yuri Elizondo.

Marlen Villanueva acted as secretary to the board.

Vice Chairman Alton Pryor opened the meeting with a prayer.

Chairman Kenneth Orr called the meeting to order at 9:11 a.m.

Agenda 2

Citizens Comments: there were no citizens comments.

Chairman Kenneth Orr asked for a motion regarding the minutes from the meeting held on April 11, 2023. Yuli Elizondo made a motion to approve the minutes. The motion was duly seconded by Cecilia Koch and with unanimous vote from the Board, the minutes were approved.

Agenda 4

Chairman Kenneth Orr opened a public hearing to consider an application for a Special Exception use submitted by Catherine Parry that would permit her to operate Type 2 Home Business in an R1 zoned district. The property is described as 110 Rosebrook Street.

Planning and Zoning Administrator reads out of the zoning book on Type R1 zoned.

Chairman Kenneth Orr turned the meeting over to Billy Hughes, Mrs. Parry is licensed by the Texas Department of License and Regulations (TDLR) as a "Texas Cosmetologist/Manicurist and is permitted by the TDLR to have a nail salon in her home. Mrs. Parry was not aware that a Special Exception Use variance was required to operate her home business but is now seeking approval of her application so she may continue to operate her nail business. She has agreed to abide by the current zoning regulations that are in place for the R1 district. Consideration and possible action regarding a Special Exception Use that would permit the applicant to operate a Type 2 Home Business in the Low Intensity Single Family Residential (R1) zoned district.

The board had several citizens signed up to speak.

Sherry Harris, Chase May, Lillian Haynes, Virginia Buras, and Bob Haynes were all against the Special Exception Use that Catherine Parry applied for approval.

Chairman Kenneth Orr declared this public hearing closed and asked for a motion.

Kenneth Orr asked the board to approve or disapprove the special request.

Cecilia Koch made a motion to disapprove the request; duly seconded by Alton Pryor; vote was unanimous.

The meeting was adjourned at 9:35 a.m.

MINUTES
HENDERSON MAIN STREET ADVISORY BOARD MEETING
Tuesday, May 23, 2023–Noon, Henderson Civic Center Rec. Rm.
1500 Lake Forest Parkway, Henderson, Texas 75652

Board Members:

Leon Harris
Gabriel Gearheart
Tammy Hillin
Carol Young

Ex-Officio Members:

Kelly Bumgardner

Call to order by President

1. Citizen Presentation – none
2. Downtown Association Report – Kelly Bumgardner shared the success of the Sidewalk Sale held May 20th, and information about the upcoming Downtown Summer Nights event on June 8th.
3. Carol Young made a motion to accept minutes from the February 28, 2023, Board Meeting. Tammy Hillin seconded. All were in favor.
4. Tammy Hillin made a motion to accept the February, March, & April 2023 financial reports. Gabriel Gearheart seconded. All were in favor.
5. Carol Young made a motion to accept the resignation of Leigh Ann Morris. Tammy Hillin seconded. All were in favor.
6. Gabriel Gearheart made a motion to accept the Façade/Sign Grant Application as submitted for 103 N. Main St. Tammy Hillin seconded. All were in favor.
7. Committee Reports:
 - a. Organization – none/did not meet
 - b. Economic Restructuring – Carol Young provided an update that the Strand Sign is ready for installation, pending brackets being installed. Leon Harris expressed the desire to hold a ceremony/celebration for the sign's completion.
 - c. Promotion & Design – none/did not meet
8. Main St. Coordinator Report – none/Kaitlin Smith was not present to provide report.
9. President's Report - none
10. Next Board Meeting, Tuesday, June 27, 2023
11. Gabriel Gearheart made a motion to adjourn. Carol Young seconded. All were in favor.

Submitted By: Kaitlin Smith, Tourism & Main Street Coordinator

Approved By: _____