

CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

Bert Lyle, Position 1 At-Large
Karen Denman, Position 2 At-Large
Vicki McKenzie, Position 3 At-Large
Pat Graham, Position 4 At-Large



Jon Strong, Mayor Pro Tem
Ward 4
Tore Fossum, Ward 1
Casey Cox, Ward 2
Anissa Antwine, Ward 3

HUNTSVILLE CITY COUNCIL AGENDA

TUESDAY, SEPTEMBER 15, 2026

WORKSHOP 5:00 P.M. - Council Chambers Room # 150

REGULAR SESSION 6:00 P.M. - Council Chambers Room # 150

City of Huntsville City Hall Complex, 1212 Avenue M, Huntsville, Texas, 77320

Persons with disabilities who plan to attend this meeting and may need auxiliary aids or services are requested to contact the City Secretary's office (936.291.5413) two working days prior to the meeting for appropriate arrangements.

Citizen Comments: State law provides that members of the public may speak before the City Council on an item of business. The speaking time is generally limited to three minutes per person, but may be reduced depending on the number of speakers. If you wish to speak, please complete a public comment card found at the entrance of the meeting room. City Council members are not obligated to respond to comments.

Taxpayer Impact Statement

House Bill 1522 amends Section 551.043 of the Texas Government Code to add new notice requirements under the Texas Open Meetings Act. Specifically, when a governmental body posts notice of a meeting under Section 551.043(a)(c) at which it will discuss or adopt its budget, the notice must now include a taxpayer impact statement.

The taxpayer impact statement must show, for the median-valued homestead property within the governmental body's jurisdiction:

- **The property tax bill in dollars for the current fiscal year, and**
- **An estimate of the property tax bill in dollars for the upcoming fiscal year.**

This requirement is intended to increase transparency by allowing taxpayers to see how proposed budgets may directly affect their property tax bills.

	Fiscal Year 2026 Adopted Budget	Fiscal Year 2027 Budget Voter Approved Tax Rate	Fiscal Year 2027 Budget No-New Revenue Rate	Fiscal Year 2027 Budget at Proposed Not to Exceed Tax
Total Tax rate (per \$100 of value)	\$0.3475	\$0.3790	\$0.3506	\$0.3789
Median homestead taxable value	\$253,909	\$249,790	\$249,790	\$249,790
Tax on Median homestead	\$882.33	\$946.70	\$875.76	\$946.45
Change From Prior Year		\$64.37 or 7.3%	(\$6.57) or (1.0%)	\$64.12 or 7.3%

Proposed Budget

A copy of the Proposed Budget is available in the City Secretary's Office at City Hall and online at <https://www.huntsvilletx.gov/193/Budget>

WORKSHOP (5:00 p.m.)

- a. Strategic Plan Update: Public Safety
Olivia Discon, Assistant to the City Manager

DISCUSSION

MAIN SESSION (6:00 p.m.)

CALL TO ORDER I would like to welcome everyone to this duly called meeting of the Huntsville City Council, being held on September 15, 2026 at 1212 Avenue M, Huntsville, Texas. I attest that this meeting room is open and accessible to members of the public.

INVOCATION AND PLEDGES - U.S. Flag and Texas Flag: *Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*

PROCLAMATION

- a. Proclamation No. 2026-23 National I.T. Professionals Day
Russell Humphrey, Mayor
- b. Proclamation No. 2026-24 National Human Resources Professionals Day
Russell Humphrey, Mayor
- c. Proclamation No. 2026-25 Citizenship Preparatory Class
Russell Humphrey, Mayor

PRESENTATIONS

- a. Presentation from Lou Fiscella with the Iron Forest Football Club.
Penny Joiner, Director of Parks and Leisure

PUBLIC HEARING

- a. Public Hearing on the Tax Year 2026 (FY 2026-2027) Tax Rate for the City of Huntsville.
Lance Hall, Finance Director

1. CONSENT AGENDA

The presiding officer will call for public comments before action is taken on these items. *(Approval of Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations. An item may be removed from the Consent Agenda and added to the Statutory Agenda for full discussion by request of a member of Council.)*

- a. Consider approving the Minutes from the September 1, 2026, Regular City Council Meeting.
Kristy Doll, City Secretary
- b. Consider Resolution No. 2026-33 authorizing the submission of an application to the U.S. Department of Justice for the FY 2026 Edward Byrne Memorial Justice Assistance Grant (JAG) Program – Local Formula, and authorizing an Interlocal Agreement with Walker County.
Lance Hall, Finance Director
- c. Consider approving the expenditure of \$261,090.46 for repairs completed to date on the fire apparatus that sustained fire damage using funds received from the Texas Municipal League.

Trey Lamb, Assistant Fire Chief

- d. Consider approving the Second Amendment to Contract for Professional Services for Municipal Court Presiding Judge Devan Dawson.
- e. Consider approving the Second Amendment to Contract for Professional Services for Municipal Court Associate Judge Angela Valis.
- f. Consider approving Amendment D to the Employment Agreement for City Secretary Kristy Doll
- g. Consider Resolution No. 2026-34 authorizing the submission of an application to TxDOT Aviation for the Reimbursable Grant Agreement for the Routine Airport Maintenance Program (RAMP) and authorizing City Manager to accept and execute the grant agreement.
Layne Yeager, Development Services Director
- h. Consider three ground lease locations with All Access Aviation at the Huntsville Municipal Airport and authorizing the City Manager to enter into a ground lease agreement for said hangar.
Layne Yeager, Development Services Director
- i. Consider entering into an interlocal agreement with Sam Houston State University for the High Potential Leadership Academy.
Brian Beasley, Assistant City Manager - Internal & Community Services

2. STATUTORY AGENDA

- a. Consider adopting Ordinance No. 2026-23 to adopt the FY 2026-2027. Budget with all policies, fees, rates, and provisions as referenced therein. **Record/rollcall vote required**
Lance Hall, Finance Director
- b. Consider ratifying the increased property tax revenues of \$453,252 reflected in the FY 2026-2027 Budget as adopted.
Lance Hall, Finance Director
- c. Consider adopting Ordinance No. 2026-24 adopting the Tax Rate of \$0.3775 per \$100 valuation, approving one component being M&O at \$0.3361 levying taxes for the City of Huntsville for the FY 2026-2027. **Record/rollcall vote required**
Lance Hall, Finance Director
- d. Consider adopting Ordinance No. 2026-25 adopting the Tax Rate of \$0.3775 per \$100 valuation, approving one component being I&S Debt Service at \$0.0414 levying taxes for the City of Huntsville for the FY 2026-2027. **Record/rollcall vote required**
Lance Hall, Finance Director
- e. **First Reading**—Consider adopting Ordinance No. 2026-28 updating the Service and Assessment Plan and Assessment Roll for the Reserves Public Improvement District.
Lance Hall, Finance Director
- f. Consider authorizing the City Manager to purchase real property and an easement from the US Department of Agriculture (USDA), US Forest Services (USFS) lands for the N.B Davidson Wastewater Treatment Plant in the amount of \$252,538.00
Kathlie Jeng-Bullock, City Engineer
- g. Consider adopting Ordinance No. 2026-27, the Fourth Supplemental Ordinance to the Master Ordinance Establishing the City of Huntsville, Texas Utility System Revenue Financing Program to authorize the City's Water and Wastewater System Revenue Bonds, Series 2026 in an expected amount of approximately \$37,535,000.
Lance Hall, Finance Director

3. CITY COUNCIL/MAYOR/CITY MANAGER

- a. Consider the appointments to the City of Huntsville Boards and Commissions.

Russell Humphrey, Mayor

4. MEDIA INQUIRIES RELATED TO MATTERS ON THE AGENDA

5. ITEMS OF COMMUNITY INTEREST

6. EXECUTIVE SESSION

7. RECONVENE

Take action on item discussed in executive session, if needed.

ADJOURNMENT

*If during the course of the meeting and discussion of any items covered by this notice, City Council determines that a Closed or Executive session of the Council is required, then such closed meeting will be held as authorized by Texas Government Code, Chapter 551, Section 551.071 – consultation with counsel on legal matters; 551.072 – deliberation regarding purchase, exchange, lease or value of real property; 551.073 – deliberation regarding a prospective gift; 551.074 – personnel matters regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; 551.076 – implementation of security personnel or devices; 551.087 – deliberation regarding economic development negotiation; Sec. 551.089 - deliberation regarding security devices or security audits; and/or other matters as authorized under the Texas Government Code. If a Closed or Executive session is held in accordance with the Texas Government Code as set out above, the City Council will reconvene in Open Session to take action, if necessary, on the items addressed during Executive Session.

CERTIFICATE

I, Kristy Doll, City Secretary, do hereby certify that the above notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.HuntsvilleTX.gov, in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING: September 9, 2026

TIME OF POSTING: 6:15 p.m.

TAKEN DOWN:

Sharon Schultz

Sharon Schultz, Deputy City Secretary



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: a.

Agenda Item: Strategic Plan Update: Public Safety

Initiating Department/Presenter: City Manager

Presenter:

Olivia Discon, Assistant to the City Manager

Recommended Motion: Presentation only

Strategic Initiative: Strategic Priority #1, Public Safety - Huntsville is a city where every resident, family, and visitor feels safe - every day and in every neighborhood. The City proactively invests in professional emergency services, modern technology, and strong community partnerships to prevent harm, prepare for growth, and respond effectively when needed. As Huntsville grows toward 50,000 residents and beyond, the City is committed to staying ahead of demand - ensuring that public safety infrastructure, staffing, and services grow alongside the community they serve.

Discussion: With the adoption of the 2026 City of Huntsville Strategic Plan, which was prepared by Raftelis, the Leadership Team now plans to provide an update each month on the plan to Council. This is the first update on the progress of the Strategic Plan which will focus on Strategic Priority #1 - Public Safety.

Previous Council Action: May 6-7, 2026: The City of Huntsville held its Strategic Plan Retreat at the Sam Houston State University, University Camp in Huntsville, Texas. The retreat brought together the City Council, City Manager, City Attorney, City Secretary, and members of the City Leadership Team for two days of structured, facilitated dialogue.

June 30, 2026: The City of Huntsville held a Strategic Plan Workshop at the Huntsville Service Center. The Workshop reviewed and discussed the City's draft 2026 Strategic Plan, Vision, Mission, Value Statement, and Strategic Priorities along with current and future goals.

July 21, 2026: City Council adopted the 2026 City of Huntsville Strategic Plan prepared by Raftelis.

Financial Implications: None

Approvals:

Darryle Slaven

James Barnes

Greg Mathis

Brian Beasley

Ricardo Villagrand

Scott Swigert
Robby Chapman
Kristy Doll

Associated Information:

1. 9.15.2026_PS_Strategic Plan Updates_FINAL

City of Huntsville

Strategic Plan Updates

PUBLIC SAFETY



★ Invest in personnel, resources, and equipment to plan for population of 50,000 by 2030

31%

- Requested 4 PD Officers in FY 2027 budget per schedule
- Requested 1 Logistics Officer for FD in FY 2027 budget per schedule
- Requested Staffing Analysis Study in FY 2027 budget
- City and Walker County representatives met on August 11, 2026
- Council approved the application for the following grants:
 - COPS Hiring Program (July 21, 2026)
 - Assistance to Firefighters Grants (June 16, 2026)

★ Pursue Best Practices in police, fire, and emergency preparedness services

50%

- Requested ISO rating consultant in FY 27 Budget
- Actively collaborating with Walker County to host an event around May 2027
- Coordinating mandatory training for city staff- 63% complete
- PD earned Best Practices recognition on December 16, 2025
- FD applied for Best Practices on June 16, 2026

★ Safe and efficient connectivity and access for multi-modal transportation

36%

- MLK sidewalk shared path street improvement
- Requested \$150,000 to be allocated to "Multi-Modal Fund" in CIP
- Main Street Advisory Board approved design of downtown wayfinding signage

Overall Completion:

39%

Last Updated:
September 15, 2026



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: a.

Agenda Item: Proclamation No. 2026-23 National I.T. Professionals Day

Initiating Department/Presenter: City Council

Presenter:
Russell Humphrey, Mayor

Recommended Motion: N/A

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications: N/A

Approvals:
Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: b.

Agenda Item: Proclamation No. 2026-24 National Human Resources Professionals Day

Initiating Department/Presenter: City Council

Presenter:
Russell Humphrey, Mayor

Recommended Motion: N/A

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications: N/A

Approvals:
Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: c.

Agenda Item: Proclamation No. 2026-25 Citizenship Preparatory Class

Initiating Department/Presenter: City Council

Presenter:
Russell Humphrey, Mayor

Recommended Motion: n/a

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications: n/a

Approvals:
Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: a.

Agenda Item: Presentation from Lou Fiscella with the Iron Forest Football Club.

Initiating Department/Presenter: Parks and Leisure

Presenter:

Penny Joiner, Director of Parks and Leisure

Recommended Motion: N/A

Strategic Initiative: Strategic Priority #3, Quality of Life – Huntsville is a place where people want to live, raise families, and put down roots. The City nurtures the parks, trails, events, and amenities that make daily life enjoyable - while honoring the history, small-town character, and community pride that make Huntsville unique. From youth programming to senior services, walkable streets to vibrant gathering spaces, the City invests in the full fabric of community life so that Huntsville remains place where all generations can flourish.

Discussion: N/A

Previous Council Action: None.

Financial Implications: N/A

Approvals:

Penny Joiner

Brian Beasley

Kristy Doll

Associated Information:

1. IFFC Logo 09032026





CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: a.

Agenda Item: Public Hearing on the Tax Year 2026 (FY 2026-2027) Tax Rate for the City of Huntsville.

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Recommended Motion: No motion required. This is not an action item.

Strategic Initiative: Strategic Priority #3 - Quality of Life: Establish an environment where citizens can thrive and enjoy the City in which they live. Provide services that enhance the quality of life for all, with a focus on the full life cycle (children, students, families, and retirees) by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

Discussion: The Texas Tax Code, Sections 26.05, 26.06, and 26.065 require a Public Hearing on the Tax Rate. Notice of the hearing was published in the Huntsville Item on August 20, 2026 and has been made available on the City's website.

At the Council's August 11, 2026 Special Council meeting, Council approved an item for a tax rate for FY 2026-2027 not to exceed \$0.3789 per \$100 valuation. The tax rate used in the FY 2026-2027 Budget and in this evening's item 2.c, Ordinance 2026-24 M&O and Ordinance 2026-25 I&S to adopt a tax rate for FY 2026-2027 is \$0.3775 per \$100 valuation.

Previous Council Action: None

Financial Implications: None

Approvals:

Lance Hall
Brian Beasley
Scott Swigert
Robby Chapman
Sharon Schultz
Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.a.

Agenda Item: Consider approving the Minutes from the September 1, 2026, Regular City Council Meeting.

Initiating Department/Presenter: City Secretary

Presenter:

Kristy Doll, City Secretary

Recommended Motion: Motion to approve the Minutes from the September 1, 2026, Regular City Council Meeting.

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications: NA

Approvals:

Kristy Doll

Associated Information:

1. September 1, 2026 City Council Meeting Minutes

MINUTES FROM THE HUNTSVILLE CITY COUNCIL REGULAR MEETING HELD ON THE 1ST DAY OF SEPTEMBER 2026 AT 6:00 P.M. AT THE CITY OF HUNTSVILLE CITY HALL, LOCATED AT 1212 AVENUE M., IN THE CITY OF HUNTSVILLE, WALKER COUNTY, TEXAS.

The City Council met in a Regular Session and Workshop with the following:

COUNCILMEMBERS PRESENT: Mayor Humphrey, Councilmember At-Large Position 2 Denman, Councilmember At-Large Position 3 McKenzie, Councilmember At-Large Position 4 Graham, Councilmember At-Large Position 1 Lyle, Councilmember Ward 3 Antwine, Councilmember Ward 1 Fossum

COUNCILMEMBERS ABSENT: Councilmember Ward 4 Strong, Councilmember Ward 2 Cox

OFFICERS PRESENT: Scott Swigert, City Manager; Kristy Doll, City Secretary; Robby Chapman, City Attorney

WORKSHOP

Mayor Humphrey called the Workshop to order at 5:00 p.m.

DISCUSSION

- a. **Presentation and discussion on Phase I of the Feasibility Study for the potential Destination Huntsville project.**
Ricardo Villagrand, Assistant City Manager
- b. **Discussion on the Council Chambers logo concept.**
Ricardo Villagrand, Assistant City Manager

Mayor Humphrey adjourned the Workshop at 5:51 p.m.

MAIN SESSION CALL TO ORDER

Mayor Humphrey called the meeting to order at 6:00 p.m.

INVOCATION AND PLEDGES - *U.S. Flag and Texas Flag: Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*

Councilmember Bert Lyle gave the invocation, and Mayor Humphrey led the pledges.

PRESENTATION

- a. **Annual report of Walker County Economic Development Corporation**
Stephanie Smith

PUBLIC HEARING

- a. **Public Hearing on the FY 2026-2027 proposed Budget.**
Lance Hall, Finance Director

Mayor Humphrey closed the Regular Session and opened the Public Hearing at 6:34 p.m.

There were no public comments in support or opposition of the Item.

Mayor Humphrey closed the Public Hearing and opened the Regular Session at 6:37 p.m.

1. CONSENT AGENDA

The presiding officer will call for public comments before action is taken on these items. (*Approval of Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations. An item may be removed from the Consent Agenda and added to the Statutory Agenda for full discussion by request of a member of Council.*)

- a. Consider approving the Minutes from the August 11, 2026, Special City Council Meeting.
Kristy Doll, City Secretary
- b. Consider approving the Minutes from the August 18, 2026, Regular City Council Meeting.
Kristy Doll, City Secretary
- c. Consider the acceptance of the Monthly Financial Report for the month of July 2026.
Lance Hall, Finance Director

Councilmember Vicki McKenzie made a motion to approve Consent Agenda Items a. through c. The motion was seconded by Councilmember Tore Fossum. The motion passed 7 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum; No: None

2. STATUTORY AGENDA

- a. Consider postponing approval of the FY 2026-2027 proposed Budget to the September 15, 2026, City Council meeting.
Lance Hall, Finance Director

Councilmember Tore Fossum made a motion to postpone the approval of the FY 2026-2027 proposed Budget to the September 15, 2026, City Council meeting. The motion was seconded by Councilmember Anissa Antwine. The motion passed 7 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum; No: None

- b. Consider the request from Richard Ohendalski for waiver of penalties and interest in the amount of \$335.35 for delinquent ad valorem taxes.
Lance Hall, Finance Director

Councilmember Karen Denman made a motion to Deny the request from Richard Ohendalski for waiver of penalties and interest in the amount of \$338.19 for delinquent ad valorem taxes. The motion was seconded by Councilmember Tore Fossum. The motion passed 6 - 1.

Roll call vote

Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Pat Graham, Anissa Antwine, Tore Fossum
No: Bert Lyle

- c. Consider approving the Walker County Economic Development Corporation Funding Agreement for FY2026-2027
Ricardo Villagrand, Assistant City Manager

Councilmember Vicki McKenzie made a motion to approve the Walker County Economic Development Funding Agreement for FY2026-2027. The motion was seconded by Councilmember Pat Graham. The motion passed 7 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum; No: None

3. CITY COUNCIL/MAYOR/CITY MANAGER

4. MEDIA INQUIRIES RELATED TO MATTERS ON THE AGENDA

None

5. ITEMS OF COMMUNITY INTEREST

Councilmembers announced Items of Community Interest.

6. EXECUTIVE SESSION

- a. **City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 - Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: Associate Municipal Judge Angela Valis.
Russell Humphrey, Mayor**
- b. **City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 - Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: Presiding Municipal Judge Devan Dawson.
Russell Humphrey, Mayor**
- c. **City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 - Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: City Secretary Kristy Doll.
Russell Humphrey, Mayor**
- d. **City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.071 – consultation with counsel on legal matters regarding the agreement with Walker County Economic Development Corporation.
Robby Chapman, City Attorney**

City Council convened into Executive Session to discuss Items a. through c. at 6:57 p.m.

7. RECONVENE

City Council reconvened from Executive Session at 8:45 p.m.

ADJOURNMENT

Mayor Humphrey adjourned the meeting without objection at 8:46 p.m.

ATTEST:

CITY OF HUNTSVILLE

Kristy Doll, City Secretary

Russell Humphrey, Mayor



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.b.

Agenda Item: Consider Resolution No. 2026-33 authorizing the submission of an application to the U.S. Department of Justice for the FY 2026 Edward Byrne Memorial Justice Assistance Grant (JAG) Program – Local Formula, and authorizing an Interlocal Agreement with Walker County.

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Recommended Motion: Move to approve Resolution No. 2026-33 authorizing the submission of the FY 2026 Edward Byrne Memorial Justice Assistance Grant (JAG) Program application and approve an Interlocal Agreement with Walker County.

Strategic Initiative: Strategic Priority #1, Public Safety - Huntsville is a city where every resident, family, and visitor feels safe - every day and in every neighborhood. The City proactively invests in professional emergency services, modern technology, and strong community partnerships to prevent harm, prepare for growth, and respond effectively when needed. As Huntsville grows toward 50,000 residents and beyond, the City is committed to staying ahead of demand - ensuring that public safety infrastructure, staffing, and services grow alongside the community they serve.

Discussion: Edward Byrne Memorial Justice Assistance Grant (JAG) Program provides funding to support local law enforcement activities. For FY 2026, the City of Huntsville and Walker County have a joint allocation of \$20,362, which will be divided equally between the two entities. The City will serve as the applicant and fiscal agent and will enter into an Interlocal Agreement with Walker County.

The Huntsville Police Department plans to use its \$10,181 allocation to purchase e-citation writers and a docking station. Walker County plans to use its \$10,181 allocation toward the purchase of automated external defibrillator (AED) units for the Sheriff's Department. Any costs exceeding each entity's allocation will be the responsibility of that entity.

Previous Council Action: None

Financial Implications: The City and Walker County have a joint JAG allocation of \$20,362, with \$10,181 allocated to each entity. No City match is required.

Approvals:

Lance Hall

Brian Beasley

Scott Swigert

Robby Chapman

Sharon Schultz
Kristy Doll

Associated Information:

1. FY26 JAG Resolution 2026-33
2. ILA

RESOLUTION NO. 2026-33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE FY 2026 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM – LOCAL FORMULA; AUTHORIZING AN INTERLOCAL AGREEMENT WITH WALKER COUNTY; AUTHORIZING ACCEPTANCE OF FUNDS IF AWARDED; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED REPRESENTATIVE TO ACT ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

- WHEREAS the City Council desires to support the safety of its citizens and provide the Huntsville Police Department with equipment necessary to effectively perform law enforcement activities; and
- WHEREAS the City of Huntsville and Walker County have a joint allocation of \$20,362 under the FY 2026 Edward Byrne Memorial Justice Assistance Grant (JAG) Program – Local Formula; and
- WHEREAS the City of Huntsville will serve as the applicant and fiscal agent for the joint allocation and will enter into an Interlocal Agreement with Walker County for the administration and distribution of the JAG funds; and
- WHEREAS the City Council finds that submission of the application and participation in the FY 2026 JAG Program are in the best interest of the City of Huntsville;

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

- SECTION 1: An application is hereby authorized to be submitted on behalf of the City of Huntsville, as fiscal agent for the joint allocation with Walker County, to the U.S. Department of Justice, Bureau of Justice Assistance, for the FY 2026 Edward Byrne Memorial Justice Assistance Grant (JAG) Program – Local Formula in the amount of \$20,362.
- SECTION 2: The City Council authorizes the City to enter into an Interlocal Agreement with Walker County for the administration and distribution of the FY 2026 JAG funds, with \$10,181 allocated to the City of Huntsville and \$10,181 allocated to Walker County.
- SECTION 3: The City agrees that, in the event of loss or misuse of federal funds, the funds will be returned in full.
- SECTION 4: The City Council directs and designates the City Manager as the City’s Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and the City’s participation in the FY 2026 Edward Byrne Memorial Justice Assistance Grant (JAG) Program.

PASSED, APPROVED AND ADOPTED on this 15th day of September, 2026.

THE CITY OF HUNTSVILLE

Russell Humphrey, Mayor

ATTEST:

APPROVED AS TO FORM:

Kristy Doll, City Secretary

Robby Chapman, City Attorney

**THE STATE OF TEXAS
COUNTY OF WALKER**

KNOW ALL BY THESE PRESENTS

**INTERLOCAL AGREEMENT
BETWEEN WALKER COUNTY AND THE CITY OF HUNTSVILLE
FY 2026 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG)
PROGRAM AWARD**

This Agreement is made and entered into this ____ day of _____, 2026, by and between WALKER COUNTY, TEXAS, acting by and through its governing body, the Commissioners Court, hereinafter referred to as COUNTY, and the CITY OF HUNTSVILLE, TEXAS, acting by and through its governing body, the City Council, hereinafter referred to as CITY.

WHEREAS, this Agreement is made under the authority of Chapter 791, Texas Interlocal Cooperation Act (Texas Government Code); and

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interests of both parties, that the undertaking will benefit the public, and that the division of costs and responsibilities fairly compensates the performing party for the services or functions under this Agreement; and

WHEREAS, the Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program has made a disparate allocation of \$20,362 available to the CITY and COUNTY for FY 2026; and

WHEREAS, the CITY and COUNTY believe it to be in their best interests to use the FY26 JAG funds for law enforcement equipment, including e-citation equipment for the City of Huntsville Police Department and automated external defibrillator (AED) units for the Walker County Sheriff's Department;

NOW THEREFORE, the COUNTY and CITY agree as follows:

Section 1.

CITY agrees to act as applicant and fiscal agent for the FY 2026 JAG award and to administer the grant in accordance with applicable JAG requirements. COUNTY shall participate as a subrecipient for its portion of the award. CITY shall be responsible for establishing and monitoring the COUNTY subaward and for maintaining subaward documentation, certifications, and other records required by the JAG Program and applicable federal requirements. Upon award, the COUNTY subaward shall be subject to all applicable federal award conditions and requirements.

Section 2.

The FY26 JAG allocation in the amount of \$20,362 shall be divided equally between the CITY and COUNTY, with \$10,181 allocated to each party. The CITY anticipates purchasing Tyler Technologies TC73 e-citation writers and a docking station for the City of Huntsville Police Department, currently estimated at \$9,549. The COUNTY anticipates purchasing automated external defibrillator (AED) units for the Walker County Sheriff's Department, currently estimated at \$10,410.

Section 3.

COUNTY shall procure and purchase the equipment identified for the Walker County Sheriff's Department in accordance with applicable federal, state, and local procurement requirements and shall initially pay all costs associated with the purchase. COUNTY shall submit an invoice to CITY for reimbursement, together with all

documentation required under the JAG Program, and shall provide any additional documentation, clarification, or responses requested by CITY or required by the JAG Program. CITY, as fiscal agent, shall review the documentation for completeness and compliance with grant requirements and maintain or submit such documentation as required for grant administration, reimbursement, reporting, monitoring, and audit purposes.

Reimbursement is subject to the expenditure meeting the eligibility and allowability requirements of the JAG Program and to CITY's receipt or drawdown of the applicable JAG funds. Upon receipt or drawdown of such funds, CITY shall reimburse COUNTY for eligible JAG-funded costs up to \$10,181. CITY shall not be required to advance local funds prior to receipt or drawdown of the applicable JAG funds.

Section 4.

CITY shall separately procure and purchase the e-citation equipment for the City of Huntsville Police Department in accordance with applicable federal, state, and local procurement requirements and the terms and conditions of the JAG award.

Section 5.

COUNTY shall be responsible for the custody, use, maintenance, inventory, and disposition of equipment purchased by COUNTY with JAG funds and shall maintain all records required by the JAG award. COUNTY agrees to provide CITY with documentation and information reasonably necessary for grant reporting, monitoring, audit, property tracking, and closeout.

Section 6.

If the cost of either party's approved equipment and related allowable expenses exceeds that party's JAG allocation, the excess shall be the responsibility of that party unless the CITY and COUNTY mutually agree in writing to a different allocation of available JAG funds consistent with the approved award. Neither party shall be obligated under this Agreement to provide additional local funding for the other party's project costs.

Section 7.

Nothing in the performance of this Agreement shall impose any liability for claims against COUNTY other than claims for which liability may be imposed by the Texas Tort Claims Act.

Section 8.

Nothing in the performance of this Agreement shall impose any liability for claims against CITY other than claims for which liability may be imposed by the Texas Tort Claims Act.

Section 9.

Each party to this Agreement will be responsible for its own actions in providing services under this Agreement and shall not be liable for any civil liability that may arise from the furnishing of services by the other party.

Section 10.

By entering into this Agreement, the parties do not intend to create any obligations, express or implied, other than those expressly set forth herein, nor shall this Agreement create any rights in any person or entity not a party to this Agreement.

Section 11.

This Agreement shall take effect upon execution by both parties and shall remain in effect for the duration of the FY26 Edward Byrne Memorial Justice Assistance Grant (JAG) Program award period, including any approved extensions, and for so long thereafter as necessary to satisfy applicable grant records-retention, audit, property, and closeout requirements, unless terminated earlier by mutual written agreement of both parties.

CITY OF HUNTSVILLE

COUNTY OF WALKER

Scott Swigert, City Manager

Colt Christian, County Judge

ATTEST:

APPROVED AS TO FORM:

Kristy Doll, City Secretary

William W. Durham, District Attorney

APPROVED AS TO FORM:

Robby Chapman, City Attorney



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.c.

Agenda Item: Consider approving the expenditure of \$261,090.46 for repairs completed to date on the fire apparatus that sustained fire damage using funds received from the Texas Municipal League.

Initiating Department/Presenter: Fire Department

Presenter:

Trey Lamb, Assistant Fire Chief

Recommended Motion: Move to approve the expenditure of \$261,090.46 for repairs completed to date on the fire apparatus that sustained fire damage using funds received from the Texas Municipal League.

Strategic Initiative: Public Safety:

SMART Objective: Pursue grants to invest in personnel, resources, and equipment to plan for a population of 50,000 by 2030.

Discussion: A Huntsville fire department apparatus sustained significant fire damage on January 22, 2025, and has been at Safe Industries since April 24, 2025, undergoing extensive repairs. The City has received \$304,345.21 in Texas Municipal League (TML) funds to assist with the repair costs. Staff is requesting authorization to apply \$261,090.46 of those funds toward repair expenses incurred to date. Repairs completed include replacement of the engine, transmission, main engine harness, fuel lines, cab tilt pump and cylinders, cab insulation, and transmission control module. Additional repairs are still required, including an ABS brake system overhaul, air-conditioning repairs, and radiator and coolant system repairs. Several interior components, including the flooring, have been removed in preparation for the remaining repairs.

Previous Council Action: None

Financial Implications: Insurance payments totaling \$261,090.46

Approvals:

Greg Mathis

Scott Swigert

Robby Chapman

Sharon Schultz

Kristy Doll

Associated Information:

1. 134277 bal due (3)



5031 Highway 153 Easley, SC 29642

Bill To
HUNTSVILLE
450 HIGHWAY 75 NORTH
HUNTSVILLE TX 77320-1118
United States

Ship To
HUNTSVILLE
450 HIGHWAY 75 NORTH
HUNTSVILLE TX 77320-1118
United States

Invoice

#INV134277

5/15/2026

TOTAL

\$261,090.46

Due Date: 5/15/2026

Terms	Due Date	PO #	Sales Rep	Shipping Method	Partner
Prepayment	5/15/2026	H6722			

Quantity	Item	Comments	Price	Extended Price
1	Apparatus Service Parts 101446002 - COMPRESSOR 12V COIL 5707 MALE		\$437.99	\$437.99
1	Apparatus Service Parts 101446004 - COMP 12V COIL 5709		\$441.99	\$441.99
1	Apparatus Service Parts 725311 - BELT FAN ENGINE CUMMINS ISL		\$114.99	\$114.99
1	Apparatus Service Parts 101763035 - BELT V HEAVY DUTY		\$41.99	\$41.99
2	Apparatus Service Parts 253324 - GASKET V20 PUMP CUMM L10		\$9.99	\$19.98
1	Apparatus Service Parts 829017-007 - CLUTCH FAN 2-SPD 300NM 12		\$5,486.83	\$5,486.83
1	Apparatus Service Parts 829014-007 - FAN HS11 28" DIAMETER 11-BLADE		\$554.92	\$554.92
1	Apparatus Service Parts 850002-004 - GRILL KIT INFERNO 8 PC ASSEMB		\$1,008.99	\$1,008.99
1	Apparatus Service Parts 850002-153 -COVER FROSTED GRILL LOGO 1/8		\$26.83	\$26.83
1	PSTANK2 1096181 - PSTANK2		\$165.99	\$165.99
1	Apparatus Service Parts 858001-014 -BRACKET HEADLIGHT		\$218.25	\$218.25
1	Apparatus Service Parts 858001-015 - SPACER HEADLIGHT		\$29.92	\$29.92
1	Apparatus Service Parts 101220026 - SHEET HC 1/4" ALUM 18GA .032 HONEY COMB SCREEN		\$398.25	\$398.25
1	Apparatus Service Parts 101762001 - COOLER ENGINE 21/4"" X 21/4		\$1,251.98	\$1,251.98
1	Apparatus Service Parts 829021-003 - OIL COOLER FOR USE AS STEERI		\$311.58	\$311.58





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5/15/2026

Quantity	Item	Comments	Price	Extended Price
1	Apparatus Service Parts 857001-003 - KIT WIPER / WASHER DYNAMIC INCLUDES LH AND RH WIPERS		\$784.92	\$784.92
1	Apparatus Service Parts 101852009 - FITTING,TEE,WINDSHIELDWASHERH		\$2.99	\$2.99
50	Apparatus Service Parts 101443007 - TUBING WIPER 5/32" X 50'		\$3.25	\$162.50
1	Apparatus Service Parts 101487007 - FLOOR MAT KIT, FRONT, GRAY		\$466.58	\$466.58
50	Apparatus Service Parts 101444003 - EXTRUSION TEE MOLDING -		\$3.25	\$162.50
1	Apparatus Service Parts 101444004 - TEE MOLDING GREY 12' LENGTH		\$531.58	\$531.58
1	Apparatus Service Parts 826007-001 - INSULATION ENGINE TUNNEL KIT 96" CAB		\$3,226.58	\$3,226.58
1	Apparatus Service Parts 101166094 - 4" X 50YD ALUMINUM FOIL TAPE		\$99.92	\$99.92
100	Apparatus Service Parts 101342064 - WASHER INSULATION ZINC R15		\$3.25	\$325.00
100	Apparatus Service Parts 101342124 - CAP DOME 12GA		\$3.25	\$325.00
1	Apparatus Service Parts 826026-006 - BRACKET, INSULATION DRIVER SIDE		\$198.25	\$198.25
1	Apparatus Service Parts 826026-007 - BRACKET, INSULATION PASSENGER		\$198.25	\$198.25
1	Apparatus Service Parts 077178V005 - ALTERNATOR DELCO REMY 55SI 43		\$3,820.99	\$3,820.99
1	Apparatus Service Parts 827008004 - PUMP HYDRAULIC CAB TILT ELE		\$3,418.25	\$3,418.25
2	Apparatus Service Parts 827009-002 - CYLINDER HYDRAULIC CAB TILT		\$1,337.90	\$2,675.80
1	Apparatus Service Parts 828001-003 - MODULE COOLING 5" TALLER		\$36,039.92	\$36,039.92
1	Apparatus Service Parts 829009-001 - HOSE CAC 4.0		\$284.92	\$284.92
1	Apparatus Service Parts 829005-009 - HOSE FORMED 90 1"		\$128.25	\$128.25
1	Apparatus Service Parts 829005003 - ELBOW SILICONE 90* 2 1/4		\$188.25	\$188.25
1	Apparatus Service Parts 849004-001 -ASSEMBLY, HATCH, ACCESS		\$371.58	\$371.58



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5031 Highway 153 Easley, SC 29642

Invoice

#INV134277

5/15/2026

Quantity	Item	Comments	Price	Extended Price
1	Apparatus Service Parts 849004-002 - PLATE, INSULATION SUPPORT, AIR CONDITIONING		\$103.25	\$103.25
1	Apparatus Service Parts 8257005-165 - MAP BOOK HOLDER F SHIELD		\$6,091.58	\$6,091.58
1	Apparatus Service Parts 714087 - F SHIELD COATING		\$599.92	\$599.92
1	Apparatus Service Parts Cummins Engine		\$55,298.09	\$55,298.09
1	Apparatus Service Parts 123036-01610F - SEAT FFA CUST LOGO		\$3,579.92	\$3,579.92
1	Apparatus Service Parts 223093-01610F SEAT FFA CUST LOGO		\$1,118.25	\$1,118.25
1	Apparatus Service Rebuilt EVS3000 Allison Transmission with programming		\$14,311.52	\$14,311.52
1	Apparatus Service Parts 341784236 - TRANSMISSION HARNESS		\$1,098.25	\$1,098.25
1	App Service Parts M-Charge Miscellaneous Parts - Hoses, AC Lines, Clamps, Fittings. This is a contingency amount.		\$10,000.00	\$10,000.00
1	Apparatus Service Parts PS362415R10300 - PWR STR PUMP		\$1,250.00	\$1,250.00
1	Apparatus Service Fabricate Doghouse		\$1,285.71	\$1,285.71
1	Apparatus Service Parts 341784236 - HARNESS TRANSMISSION		\$0.00	\$0.00
1	Apparatus Service Parts 728603 PLATE(RAW MATERIAL) GRILL FFA		\$199.99	\$199.99
1	PSTANK2 1096181 - PSTANK2		\$175.99	\$175.99
1	Apparatus Service Parts 858001-211 BRACKET GRILL LIGHT		\$199.99	\$199.99
1	Apparatus Service Parts 850001-002 gasket grill inferno set		\$261.99	\$261.99
1	Apparatus Service Parts 341784257 - HARNESS CHASSIS STANDARD		\$7,789.94	\$7,789.94
1	Apparatus Service Parts 341784170 - HARNESS UNIV ENGINE REVERSE		\$908.25	\$908.25
1	Apparatus Service Parts 341784233 - HARNESS, REAR A/C		\$574.92	\$574.92



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5031 Highway 153 Easley, SC 29642

Invoice

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5/15/2026

Quantity	Item	Comments	Price	Extended Price
1	Apparatus Service Parts 341784211 - HARNESS,ENGINE WORK LT,REV B		\$208.25	\$208.25
1	Apparatus Service Parts 1049442 - BRAKE ABS/ESC ECU FRAME 4008623310		\$1,805.64	\$1,805.64
50	Apparatus Service Parts 654343 - FLOOR MAT BLACK INSULATION WEARTRAK		\$11.58	\$579.00
1	Apparatus Service Parts 341784280 - HARNESS ECM		\$11,000.00	\$11,000.00
400	App Service Labor Service Labor - to repair apparatus		\$195.00	\$78,000.00
1	Freight Due to continued disruptions in the global supply chain, fuel surcharges, and fluctuating freight/shipping charges, we will no longer be able to estimate nor include any shipping charges on a quote. Shipping charges will be finalized on the Invoice. As always, we will continue to provide the best product pricing as possible but this volatile market has necessitated a change in our day to day operations. We hope you understand and continue to put your trust in Safe Industries.		\$1,800.00	\$1,800.00

Subtotal \$262,162.96

Tax \$0.00

Total \$262,162.96

Amount Paid \$1,072.50

Amount Remaining \$261,090.46



INV134277



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.d.

Agenda Item: Consider approving the Second Amendment to Contract for Professional Services for Municipal Court Presiding Judge Devan Dawson.

Initiating Department/Presenter: City Attorney

Presenter:

Recommended Motion:

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications:

Approvals:

Scott Swigert

Robby Chapman

Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.e.

Agenda Item: Consider approving the Second Amendment to Contract for Professional Services for Municipal Court Associate Judge Angela Valis.

Initiating Department/Presenter: City Attorney

Presenter:

Recommended Motion:

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications:

Approvals:

Scott Swigert

Robby Chapman

Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.f.

Agenda Item: Consider approving Amendment D to the Employment Agreement for City Secretary Kristy Doll

Initiating Department/Presenter: City Attorney

Presenter:

Recommended Motion:

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications:

Approvals:

Scott Swigert
Robby Chapman
Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.g.

Agenda Item: Consider Resolution No. 2026-34 authorizing the submission of an application to TxDOT Aviation for the Reimbursable Grant Agreement for the Routine Airport Maintenance Program (RAMP) and authorizing City Manager to accept and execute the grant agreement.

Initiating Department/Presenter: Development Services

Presenter:

Layne Yeager, Development Services Director

Recommended Motion: Motion to approve Resolution No. 2026-34 authorizing the City Manager to submit an application for the TxDOT RAMP Grant for the Huntsville Municipal Airport and execute the grant agreement pursuant to all grant terms.

Strategic Initiative: Strategic Priority #4, Sustainable Infrastructure - Huntsville's infrastructure is the foundation on which every other priority rests. The City maintains, upgrades, and expands its roads, water, wastewater, drainage, and utility systems by planning today for the demands of tomorrow. Through strategic investment, smart technology, responsible stewardship of public resources, and strong partnerships with state and regional entities, Huntsville builds the physical backbone needed to support a growing, thriving community for generations to come.

Discussion: City staff have routinely worked with TxDOT Aviation for as-needed repairs and maintenance at the Huntsville Municipal Airport. This program matches local government grants up to \$100,000 for maintenance to airside and landside needs.

Utilizing this grant, the local sponsor is given the freedom to pick and choose projects to complete. Examples of projects that are completed utilizing this grant include: asphalt repairs and seal coating, stripping, road construction, herbicide treatment, land clearing, lighting repairs, and professional services.

This grant is funded at 90 percent by the state with a 10 percent local match. The overall project total is \$100,000 with \$10,000 being the local match.

City staff works with TxDOT RAMP Coordinators throughout this process for preapproval of projects completed under this grant.

Previous Council Action: Funds are allocated in the yearly budget for this grant.

Financial Implications: This grant is funded at 90 percent by the state with a 10 percent local match. The overall project total is \$100,000 with \$10,000 being the local match.

Approvals:

Layne Yeager
Ricardo Villagrand
Scott Swigert
Sharon Schultz
Kristy Doll

Associated Information:

1. RAMP Resolution 2026-34
2. RAMP2027
3. RES_RAMP_GRANT_FY27 (3)

RESOLUTION NO. 2026-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE ON BEHALF OF THE CITY OF HUNTSVILLE, ALL CONTRACTS AND AGREEMENTS AS SHALL BE NECESSARY AND APPROPRIATE FOR THE IMPLEMENTATION OF THE IMPROVEMENTS TO THE HUNTSVILLE MUNICIPAL AIRPORT.

WHEREAS the City of Huntsville intends to make certain improvements to The Huntsville Municipal Airport; and

WHEREAS the general description of the project is described as: TxDOT Aviation Routine Airport Maintenance Program to include general repairs and improvements; and

WHEREAS the City of Huntsville intends to request financial assistance from the Texas Department of Transportation for these improvements; and

WHEREAS the total project cost is estimated to be \$100,000.00, and the CITY of HUNTSVILLE will be responsible for 10% of the total project costs currently estimated to be \$10,000.00; and

WHEREAS the City of Huntsville names the Texas Department of Transportation as its agent for the purposes of applying for, receiving and disbursing all funds for these improvements and for the administration of contracts necessary for the implementation of these improvements;

NOW, THEREFORE, be it resolved by the City Council of the City of Huntsville, Texas, that: the City of Huntsville hereby directs its City Manager to execute on behalf of the City of Huntsville, at the appropriate time, and with the appropriate authorizations of this governing body, all contracts and agreements with the State of Texas, represented by the Texas Department of Transportation, and such other parties as shall be necessary and appropriate for the implementation of the improvements to the Bruce Brothers Huntsville Regional Airport.

PASSED AND APPROVED this _____ day of _____ 2026.

THE CITY OF HUNTSVILLE

Russell Humphery, Mayor

ATTEST:

APPROVED AS TO FORM:

Kristy Doll, City Secretary

Robby Chapman, City Attorney

[Type here]

TEXAS DEPARTMENT OF TRANSPORTATION
REIMBURSABLE GRANT AGREEMENT
FOR ROUTINE AIRPORT MAINTENANCE PROGRAM

(State Assisted Airport Routine Maintenance)

TxDOT Project ID: M2717HUNT

Part I - Identification of the Project

TO: The City of Huntsville, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

The Texas Department of Transportation (department) is authorized under Texas Transportation Code, Chapter 21, and Chapter 22, to assist in the development and maintenance of airports in the state.

This Reimbursable Grant Agreement is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of Huntsville, Texas, (hereinafter referred to as the "Sponsor").

This Reimbursable Grant Agreement is entered into between the State and Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

"Infrastructure preservation" shall mean work directly supporting aeronautical activity on the airfield, terminals, control towers, sponsor-owned hangars, runways, taxiways, and aprons, including but not limited to crack sealing, seal coating, pavement marking, and minor asphalt or concrete patching, including ancillary activities.

"Airport safety activities" shall mean the direct maintenance, repair, or replacement of items and systems principally intended for aviation safety. This includes, but is not limited to, airfield lighting systems, airfield guidance signs, wind indicators, and runway obstruction removal.

The scope of service for this project is for infrastructure preservation and airport safety activities at the HUNTSVILLE - HUNTSVILLE MUNI Airport.

Pursuant to the terms and conditions set forth in the RAMP Grant Agreement, reimbursement of expenses is strictly limited to those costs that are directly associated with eligible infrastructure preservation, airport safety activities, and exclusions stated in this RAMP Grant Agreement. Refer to Part III of this RAMP Grant agreement for additional requirements applicable to certain equipment.

Ineligible Costs: For the avoidance of doubt, the following costs are expressly ineligible for reimbursement under this program: a) All routine operational expenses, including but not limited to salaries, rent, utilities, fuel, and insurance; b) Groundskeeping services, including mowing; c) Force account work performed by the Sponsor's own employees; and d) Any expense not directly attributable to pre-approved infrastructure preservation and airport safety activities.

The exception to this exclusion applies to Airport Operations Counting Systems and Automated Weather Observing Systems (AWOS), including eligible maintenance, repair, subscription, certification, and connectivity costs. Such expenses are eligible for reimbursement under this Grant when adequately documented and otherwise compliant with program requirements.

By submitting a reimbursement request, the Sponsor affirms and certifies that all applicable provisions of the RAMP Grant Agreement have been satisfied. Furthermore, the Sponsor attests that the scope of work described in the reimbursement submission is intended exclusively to supplement infrastructure preservation and airport safety activities and does not constitute, support, or subsidize airport operational functions. This certification is made in accordance with applicable state funding regulations and the eligibility criteria enumerated in the scope of service.

Part II - Offer of Financial Assistance

1. For the purposes of this Reimbursable Grant Agreement, the annual routine airport maintenance project cost is estimated to be \$111,111.11 (Amount A).

State financial assistance granted will be used solely and exclusively for infrastructure preservation and airport safety activities, and airport operations counting systems as approved by the State. State financial assistance will be for ninety percent (90%) of the eligible project costs for this project or a maximum of \$100,000.00 (Amount B), whichever is less, per fiscal year and subject to availability of state appropriations.

The Sponsor's share of project costs will be for ten percent (10%) of the eligible project costs (Amount C).

This Reimbursable Grant Agreement provides for reimbursement of costs that have already been incurred by the Sponsor, work is complete and/or goods and materials have been provided to the Sponsor and all contractors, subcontractors, and/or vendors will have been paid before a request for reimbursement is submitted to the State.

Unused funds are non-transferable to any other Sponsor, city, county, or airport and shall not be carried over to the subsequent fiscal year.

Scope of Services of this Reimbursable Grant Agreement, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services

Only work items as described in Scope of Services of this Reimbursable Grant Agreement are reimbursable under this Reimbursable Grant Agreement.

All goods and/or materials procured, and all work and/or services performed, shall occur subsequent to the execution of this Reimbursable Grant Agreement and on, or before, the last day of the State's fiscal year, August 31st.

2. Work, services, goods, and/or materials rendered or paid for by the Sponsor prior to the execution of this Reimbursable Grant Agreement shall not be eligible for reimbursement. This Reimbursable Grant Agreement shall be deemed executed upon the affixation of signatures by all parties involved. The date of the final signature shall be recognized as the official Reimbursable Grant Agreement execution date.
3. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and cost reasonableness prior to work commencement. Cost reasonableness will be determined by comparison to historical costs for similar work, independent cost estimates, or other methods deemed appropriate by the State.
4. This Reimbursable Grant Agreement shall terminate upon completion of the scope of services, exhaustion of funds, or on the last day of the fiscal year.
5. The State retains the right to obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

Part III - Additional Requirements for Certain Equipment

1. Certain purchase, installation, and subscription costs for eligible air traffic and operations monitoring equipment ("Equipment") are reimbursable as provided in this Part.
2. For eligible Equipment, the State will reimburse 90% of the initial cost to purchase and install, and 90% of the annual subscription fee for subsequent years.
3. Eligibility Requirements
 - a. The Equipment must include the following items, at a minimum;
 1. Triangulation
 2. Noise abatement
 3. Aircraft tracking data for 30 days

4. Identification of pavement utilization by airplane design group for the entire airport
 5. Equal effectiveness at both towered and non-towered airports
 6. Tracking of military and government aircraft, including FAA blocked aircraft
- b. In order for costs to be eligible for RAMP reimbursement:
1. To be eligible for reimbursement of the annual subscription fee after the first year, the Sponsor must participate in the Routine Airport Maintenance Program, have an executed Reimbursable Grant Agreement for that year, and comply with all Reimbursable Grant Agreement requirements.
- c. The State may conduct on-site or off-site monitoring reviews of the Equipment any years Sponsor seeks reimbursement of subscription costs. The Sponsor shall fully cooperate with the State and provide any required documentation. The Sponsor shall grant full access to the Equipment to the State or its authorized designee for the purpose of determining compliance, including, but not limited to:
1. whether the Equipment, and its operation and maintenance, are consistent with the requirements set forth in the Reimbursable Grant Agreement and any subsequent amendments;
 2. whether the Sponsor is making timely progress with installation of the Equipment, and whether its management, financial management and control systems, procurement systems and methods, and overall performance are in conformance with the requirements set forth in the Reimbursable Grant Agreement and any subsequent amendments, and are fully and accurately reflected in reports submitted to the State.
- d. Failure to maintain compliance with these requirements may result in the Sponsor having to repay grant funds to the State.

4. For any lighting system installation, replacement, modification, relocation, or adjustment that requires an FAA flight check, all associated work must be completed, commissioned, and placed into operational service within the same Grant fiscal year to be eligible for reimbursement.

If the required FAA flight check is not completed, does not receive a passing determination, or is completed after the end of the Grant fiscal year, all costs associated with the lighting system project, including but not limited to materials, equipment, labor, installation, modification, relocation, adjustment, and flight check expenses, shall be expressly ineligible for reimbursement under this Grant.

FAA flight check costs are eligible for reimbursement only when the associated lighting system installation, replacement, modification, relocation, or adjustment was funded and reimbursed under this RAMP Grant. Flight checks performed for any other purpose, project, or funding source are ineligible for reimbursement under this Grant.

Part IV - Sponsor Responsibilities

1. In accepting this Reimbursable Grant Agreement, if applicable, the Sponsor guarantees that:
 - a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Reimbursable Grant Agreement; and
 - b. the Airport or navigational facility which is the subject of this Reimbursable Grant Agreement shall be controlled by the Sponsor for a period of at least 20 years; and
 - c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds, and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Reimbursable Grant Agreement; and
 - d. all funds used for safety related asset maintenance will require the asset to remain in the possession and ownership of the Sponsor for a period of at least 20 years, or the expected life span of the item; and
 - e. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips taxiways, parking aprons, roads, airport lighting, and navigational aids; and
 - f. through the fence access shall be reviewed and approved by the State; and

- g. it shall not permit non-aeronautical use of airport facilities, unless noted on an approved Airport Layout Plan, without prior approval of the State/FAA. This includes but is not limited to: the process of land disposal, any changes to the aeronautical or non-aeronautical land uses of the airport, land's deeded use from non-aeronautical to aeronautical, requests of concurrent use of land, interim use of land, approval of a release from obligations from the State/FAA, any of which will require 18 months, or longer; and
- h. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and
- i. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and
- j. an Airport Fund shall be established by resolution, order, or ordinance in the treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or a properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of monies identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or any other revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent approval of a grant or loan, Sponsor has complied with the requirements of this subparagraph; and
- k. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and
- l. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace unless Sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State; and

m. no Small Capital Improvement Project shall be initiated without the express guidance and prior written approval of the Texas Department of Transportation's Aviation Division. The Sponsor hereby acknowledges and agrees that failure to obtain such pre-approval shall constitute a breach of this RAMP Grant Agreement and shall result in the Sponsor's forfeiture of eligibility for reimbursement of any costs or expenses incurred in connection with the unauthorized project.

2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this Reimbursable Grant Agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.
3. The Sponsor's acceptance of this offer and ratification and adoption of this Reimbursable Grant Agreement shall be evidenced by execution of this Reimbursable Grant Agreement by the Sponsor. The Reimbursable Grant Agreement shall comprise a contract, constituting the obligations and rights of the State and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

If it becomes unreasonable or impractical to complete the project, the State may void this Reimbursable Grant Agreement and release the Sponsor from any further obligation of project costs.
4. Upon entering into this Reimbursable Grant Agreement, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this Reimbursable Grant Agreement and shall make or shall acquire approvals and disapprovals for this Reimbursable Grant Agreement as required on behalf of the Sponsor, and coordinate schedule for work items as required.
5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.
6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services and proof of payment. The reimbursement request will be submitted no more than once a month.

7. The Sponsor's acceptance of this Reimbursable Grant Agreement shall comprise a Reimbursable Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Reimbursable Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this Reimbursable Grant Agreement.

PART V - Amendments

This Reimbursable Grant Agreement may require an amendment to the scope of services if work contracted by TxDOT is required.

In the event an amendment is required, all parties will agree to the terms specified in the amended Reimbursable Grant Agreement and the following terms apply:

1. The amended Reimbursable Grant Agreement shall be executed prior to work related to the amended scope is provided.
2. Sponsor, by accepting this Reimbursable Grant Agreement certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.
3. Upon execution of this Reimbursable Grant Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.
 - a. Services will not be accomplished by the State until receipt of Sponsor's share of project costs.
4. If additional funds are required after the work is complete to fund the Sponsor's share, the State shall request funds from Sponsor at the financial closure of the project.
5. The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

PART VI - Recitals

1. This Reimbursable Grant Agreement is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
2. It is the intent of this Reimbursable Grant Agreement to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this Reimbursable Grant Agreement be in addition to those local funds normally dedicated for airport maintenance.
3. This Reimbursable Grant Agreement is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Reimbursable Grant Agreement or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.
 - a. Of primary importance to the State is compliance with the terms and conditions of this Reimbursable Grant Agreement. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Reimbursable Grant Agreement, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Reimbursable Grant Agreement, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Reimbursable Grant Agreement, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or orders as otherwise provided by law, (4) declare this Reimbursable Grant Agreement null and void, or (5) any other remedy available at law or in equity.
 - b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Reimbursable Grant Agreement, or for enforcement of any of the provisions of this Reimbursable Grant Agreement, is specifically set by Grant of the parties in Travis County, Texas.
4. The State reserves the right to amend or withdraw this Reimbursable Grant Agreement at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.
5. This Reimbursable Grant Agreement constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

Part VII - Acceptances

Acceptance of the Sponsor

The City of Huntsville, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Reimbursable Grant Agreement.

Acceptance of the Sponsor executed this _____ day of _____, 20____.

The City of Huntsville, Texas

(Sponsor)

(Sponsor Signature)

(Sponsor Title)

(Date)

Additional Sponsor Signature (If Applicable)

(Sponsor Signature)

(Sponsor Title)

(Date)

Acceptance of the State

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

State of Texas
Texas Department of Transportation

(Signature)

Dan Harmon

(Typed Name)

Director, Aviation Division

(Title)

(Date)

Certification of State Single Audit Requirements

I, _____

(Designated Representative)

do certify that the City of Huntsville will comply with all requirements of the State of Texas Single Audit Act if the City of Huntsville spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the City of Huntsville will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

City of Huntsville

(Sponsor)

(Sponsor Signature)

(Sponsor Title)

(Date)

Additional Sponsor Signature (If Applicable)

(Sponsor Signature)

(Sponsor Title)

(Date)

Designation of Sponsor's Authorized Representative

TxDOT Project ID: M2717HUNT

The City of Huntsville designates,

(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this Reimbursable Grant Agreement and who shall make or shall acquire approvals and disapprovals for this Reimbursable Grant Agreement as required on behalf of the Sponsor.

Designated Representative Information:

Physical Mailing Address:

Phone Number:

Email address:

The City of Huntsville, Texas

(Sponsor)

(Sponsor Signature)

(Sponsor Title)

(Date)

Additional Sponsor Signature (If Applicable)

(Sponsor Signature)

(Sponsor Title)

(Date)

RESOLUTION NO. 2026-34

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, AUTHORIZING THE CITY MANAGER TO APPROVE SUBMISSION AND ACCEPTANCE OF A GRANT FOR ROUTINE AIRPORT MAINTENANCE (RAMP GRANT) AT THE HUNTSVILLE MUNICIPAL AIRPORT FOR FISCAL YEAR 2027, IN AN AMOUNT NOT TO EXCEED \$100,000.00; AUTHORIZING COMPLIANCE WITH THE GRANT TERMS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Texas Department of Transportation provides a Routine Airport Maintenance Program (RAMP) Grant on an annual fiscal year basis to help with certain maintenance and improvements at the airport; and

WHEREAS, the Huntsville Municipal Airport is eligible for up to 90% reimbursement of actual costs, or \$100,000.00, whichever is less, per fiscal year contingent on acceptance of grant terms; and

WHEREAS, the total project cost is estimated to be \$100,000 and the City of Huntsville will be responsible for 10% of the total project costs providing an amount estimated to be \$10,000, pursuant to the terms of the grant agreement; and

WHEREAS, the City of Huntsville participated in the RAMP Grant for Fiscal Year 2026 and accepted reimbursement funds from TxDOT for eligible costs for airport maintenance and improvement;

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

SECTION 1.

The City Manager is authorized to apply for and accept the Texas Department of Transportation Routine Airport Maintenance Program (RAMP) Grant for the Huntsville Municipal Airport for Fiscal Year 2027; provide a match estimated to be \$10,000; and execute the grant agreement and to comply with all grant terms.

SECTION 2.

This Resolution shall be effective immediately upon its passage and adoption.

PASSED, APPROVED, AND ADOPTED on this 15th day of September 2026.

CITY OF HUNTSVILLE:

Russell Humphrey, Mayor

ATTEST:

APPROVED AS TO FORM:

Kristy Doll, City Secretary

Robby Chapman, City Attorney



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.h.

Agenda Item: Consider three ground lease locations with All Access Aviation at the Huntsville Municipal Airport and authorizing the City Manager to enter into a ground lease agreement for said hangar.

Initiating Department/Presenter: Development Services

Presenter:

Layne Yeager, Development Services Director

Recommended Motion: Move to approve three ground lease locations at the Huntsville Municipal Airport and authorize the City Manager to enter into a ground lease agreement for said hangar.

Strategic Initiative: Strategic Priority #2, Economic Vitality — Huntsville's economy is vibrant, diverse, and growing on its own terms. The City actively attracts quality primary employers, supports a lively and distinctive downtown, and uses its rich history and natural assets to draw visitors and new investment. By developing the airport as a regional hub, cultivating a strong community brand, and creating the conditions for businesses to thrive Huntsville builds an economy that expands opportunity for every person who calls this city home.

Discussion: City staff have been approached by an aviation company interested in constructing three executive hangars. Sizes will be approximately 50 to 60 feet by 100 feet at Huntsville Municipal Airport. This ground lease will be located within GL-1,3 and 4 identified within the attached survey. These hangars will be large open hangars for business-class jets.

Within the AMP the forecast of based aircraft and overall flight forecast show an increased need for facilities and improvements at the airport. This hangar is proposed to have the capacity to store several aircraft depending on the overall size of each.

Should the Council move to approve the ground lease, staff will coordinate with the Lessor to construct the hangar located within Ground Lease Numbers 9, 10 and 11 attached. The lease will be for a period of thirty years after which time the lessee will have the right of first refusal to re-lease the leased property.

Previous Council Action: None

Financial Implications: The City's adopted fee schedule sets the rate for the ground lease at the airport at \$0.15 per square foot annually. Revenue will generate an annual lease payment of \$9,000 - \$10,000 based on the 61,422 square feet of development for the ground lease. This amount does not factor in the increased revenue generated from fuel sales of additional business-class aircraft based at the airport.

Approvals:

Layne Yeager
Ricardo Villagrand
Scott Swigert
Robby Chapman
Sharon Schultz
Kristy Doll

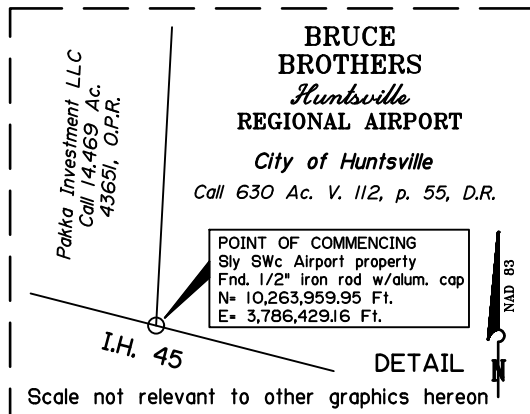
Associated Information:

1. Ground Lease 8-14-2026 GL 9_10_11
2. GL-10 R-1.fns
3. GL-11 R-1.fns
4. GL-9.fns
5. Ground Lease COH Clean and Final Template

Line Table		
Line No.	Bearing	Length
L1	S 86°00'00" E	381.50
L2	S 04°00'00" W	50.00
L3	N 86°00'00" W	381.50
L4	N 04°00'00" E	50.00
L5	S 86°32'00" E	381.50
L6	S 03°28'00" W	61.00
L7	N 86°32'00" W	381.50
L8	N 03°28'00" E	61.00
L9	S 86°32'00" E	381.50
L10	S 03°28'00" W	50.00
L11	N 86°32'00" W	381.50
L12	N 03°28'00" E	50.00

Notes:

1. All corners of Ground Lease parcels are not monumented at the time this survey was completed.
2. See metes and bounds descriptions labeled Exhibit "A" for "GL-9", GL-10 and "GL-11" prepared concurrently with this plat.



Coordinate System, Basis of Bearings and Linear Units:

Coordinates and bearings hereon are referred to the Texas Coordinate System of 1983, Central Zone, and based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 Meters and E= 1,154,289.433 Meters. Distances shown hereon are U. S. Survey Feet in "GRID" units and may be converted to "Geodetic Horizontal" units by dividing by a combined scale factor of 0.99988.

I, Leonard E. Woods, certify that this plat represents a survey made on the ground under my direct supervision and that all corners, found or set, are monumented as shown hereon.

Leonard E. Woods

Leonard E. Woods
Reg. Prof. Land Surveyor No. 2524
August 2026

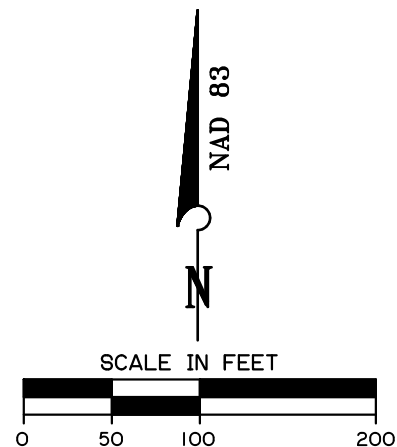
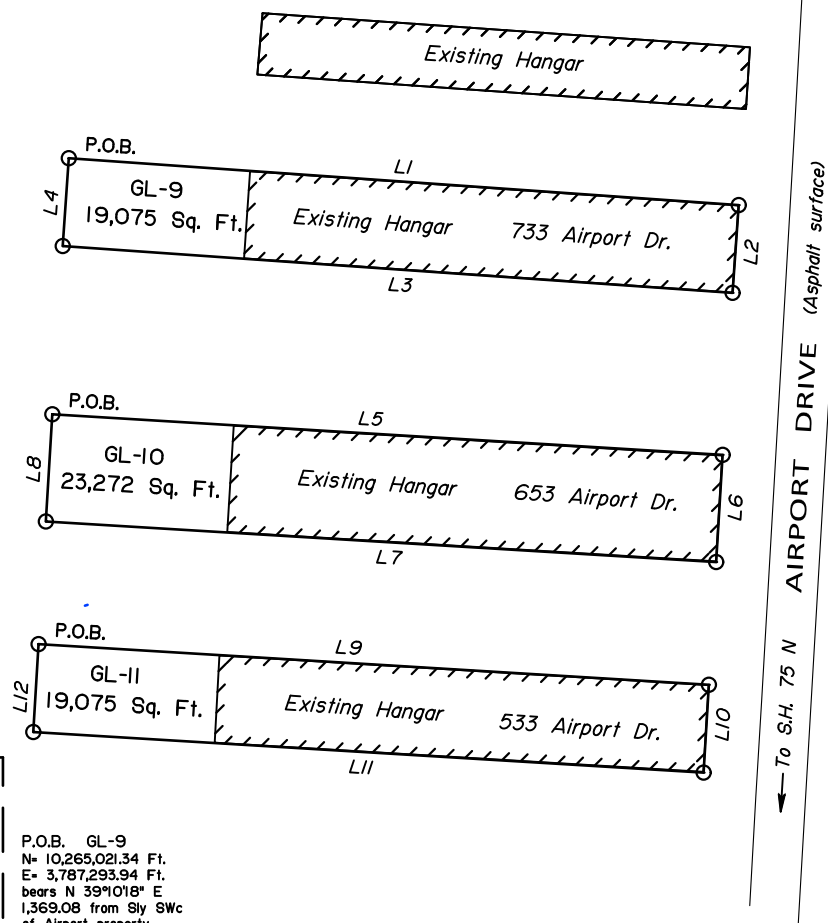


City of Huntsville
Engineering - Surveying
1212 Avenue M
Huntsville, Texas 77340

Project No. 12-01-02
Y:\SURVEYORS\PROJECTS\COH12\PS\12-01-02
AIRPORT\NEW HANGAR LEASE\Ground Lease
8-12-2026\Ground Lease 8-14-2026.dwg



EXHIBIT "B"



PLAT OF SURVEY OF GROUND LEASE PARCELS GL-9, GL-10 AND GL-11

UPON

CITY OF HUNTSMVILLE, TEXAS PROPERTY

CITY OF HUNTSMVILLE
WARREN BIRDSSELL LEAGUE, A-6
WALKER COUNTY, TEXAS

AUGUST 2026

CITY OF HUNTSVILLE, TEXAS
Engineering - Surveying
1212 Avenue M
Huntsville, Texas 77340

THE STATE OF TEXAS §

COUNTY OF WALKER §

I, Leonard E. Woods, Registered Professional Land Surveyor No. 2524, do hereby certify that the following field notes represent a survey made on the ground of the following described tract or parcel of land located in Walker County, Texas. Coordinates and bearings herein are referred to the Texas Coordinate System of 1983, Central Zone and are based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 meters and E= 1,154,289.433 meters. Distances herein are U. S. Survey Feet in "Grid" units and may be converted to "Geodetic Horizontal" by dividing by a combined scale factor of 0.99988.

GROUND LEASE parcel GL-10
UPON
CITY OF HUNTSVILLE, TEXAS PROPERTY
W. BIRDSSELL LEAGUE, A-6, WALKER COUNTY, TEXAS

Being 6,300 square feet of land, more or less, situated in the WARREN BIRDSSELL LEAGUE, Abstract No. 6, Walker County, Texas, and being out of and a part of a called 630 acres described in a Deed from The Texas Prison Board to the City of Huntsville, Texas dated November 19, 1945 recorded in Volume 112, page 55, Deed Records of Walker County, Texas, and being within that portion of said City of Huntsville 630 acre tract currently utilized for the Bruce Brothers Huntsville Regional Airport, said 6,300 square feet of land being described by metes and bounds as follows:

COMMENCING, for reference only, in the south line of said City of Huntsville 630 acre tract at the southeast corner of a called 3 acre tract (a daughter tract of said City of Huntsville 630 acre tract) described in a Deed from Curry H. Vogelsang, Trustee to J & W Corporation dated January 8, 1992 and recorded in Volume 159, page 637, Official Public Records of Walker County, Texas, said 3 acre tract being part of a called 14.469 acre tract described in a Deed from J & W Corporation to Pakka Investment LLC dated December 17, 2018 and recorded as Instrument No. 43651, Official Public Records, found a 1/2" iron rod with aluminum cap for corner, having coordinates of N= 10,263,959.95 feet and E= 3,786,429.16 feet, in the north right-of-way line State Highway No. 75, said right-of-way being a strip of land eighty feet in width as described in a Quit Claim Deed from Board of Prison Commissioners to Walker County, Texas dated March 23, 1925, and recorded in Volume 54, page 546, Deed Records and currently utilized as right-of-way for Interstate Highway No. 45;

THENCE N 43°02'35" E, within said City of Huntsville 630 acre tract, a distance of 1,253.26 feet to the **POINT OF BEGINNING**, a calculated point for corner, having coordinates of N= 10,264,875.88 feet and E= 3,787,284.57 feet;

THENCE S 86°32'00" E a distance of 103.25 feet to the northeast corner of an airplane hangar for corner;

THENCE S 03°28'00" W a distance of 61.00 feet to the southeast corner of said airplane hangar for corner;

THENCE N 86°32'00" W a distance of 103.25 feet to a calculated point for corner;

THENCE N 03°28'00" E a distance of 61.00 feet to the **POINT OF BEGINNING**.

NOTES:

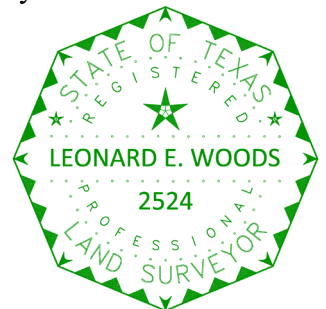
1. For further information, see Survey Plat, prepared concurrently with the legal description herein.

Surveyed: August 2026.

Signed _____



Leonard E. Woods
Reg. Prof. Land Surveyor No.2524



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CITY OF HUNTSVILLE, TEXAS
Engineering - Surveying
1212 Avenue M
Huntsville, Texas 77340

THE STATE OF TEXAS §

COUNTY OF WALKER §

I, Leonard E. Woods, Registered Professional Land Surveyor No. 2524, do hereby certify that the following field notes represent a survey made on the ground of the following described tract or parcel of land located in Walker County, Texas. Coordinates and bearings herein are referred to the Texas Coordinate System of 1983, Central Zone and are based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 meters and E= 1,154,289.433 meters. Distances herein are U. S. Survey Feet in "Grid" units and may be converted to "Geodetic Horizontal" by dividing by a combined scale factor of 0.99988.

GROUND LEASE parcel GL-11
UPON
CITY OF HUNTSVILLE, TEXAS PROPERTY
W. BIRDSELL LEAGUE, A-6, WALKER COUNTY, TEXAS

Being 5,150 square feet of land, more or less, situated in the WARREN BIRDSELL LEAGUE, Abstract No. 6, Walker County, Texas, and being out of and a part of a called 630 acres described in a Deed from The Texas Prison Board to the City of Huntsville, Texas dated November 19, 1945 recorded in Volume 112, page 55, Deed Records of Walker County, Texas, and being within that portion of said City of Huntsville 630 acre tract currently utilized for the Bruce Brothers Huntsville Regional Airport, said 5,150 square feet of land being described by metes and bounds as follows:

COMMENCING, for reference only, in the south line of said City of Huntsville 630 acre tract at the southeast corner of a called 3 acre tract (a daughter tract of said City of Huntsville 630 acre tract) described in a Deed from Curry H. Vogelsang, Trustee to J & W Corporation dated January 8, 1992 and recorded in Volume 159, page 637, Official Public Records of Walker County, Texas, said 3 acre tract being part of a called 14.469 acre tract described in a Deed from J & W Corporation to Pakka Investment LLC dated December 17, 2018 and recorded as Instrument No. 43651, Official Public Records, found a 1/2" iron rod with aluminum cap for corner, having coordinates of N= 10,263,959.95 feet and E= 3,786,429.16 feet, in the north right-of-way line State Highway No. 75, said right-of-way being a strip of land eighty feet in width as described in a Quit Claim Deed from Board of Prison Commissioners to Walker County, Texas dated March 23, 1925, and recorded in Volume 54, page 546, Deed Records and currently utilized as right-of-way for Interstate Highway No. 45;

THENCE N 47°11'01" E, within said City of Huntsville 630 acre tract, a distance of 1,155.49 feet to the **POINT OF BEGINNING**, a calculated point for corner, having coordinates of N= 10,264,875.88 feet and E= 3,787,284.57 feet;

THENCE S 86°32'00" E a distance of 102.94 feet to the northeast corner of an airplane hangar for corner;

THENCE S 03°28'00" W a distance of 50.00 feet to the southeast corner of said airplane hangar for corner;

THENCE N 86°32'00" W a distance of 102.94 feet to a calculated point for corner;

THENCE N 03°28'00" E a distance of 50.00 feet to the **POINT OF BEGINNING**.

NOTES:

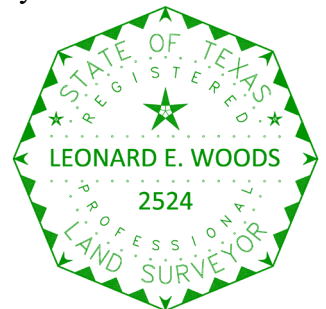
1. For further information, see Survey Plat, prepared concurrently with the legal description herein.

Surveyed: August 2026.

Signed _____



Leonard E. Woods
Reg. Prof. Land Surveyor No.2524



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CITY OF HUNTSVILLE, TEXAS
Engineering - Surveying
1212 Avenue M
Huntsville, Texas 77340

THE STATE OF TEXAS §

COUNTY OF WALKER §

I, Leonard E. Woods, Registered Professional Land Surveyor No. 2524, do hereby certify that the following field notes represent a survey made on the ground of the following described tract or parcel of land located in Walker County, Texas. Coordinates and bearings herein are referred to the Texas Coordinate System of 1983, Central Zone and are based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (1993) coordinates of N= 3,128,437.762 meters and E= 1,154,289.433 meters. Distances herein are U. S. Survey Feet in "Grid" units and may be converted to "Geodetic Horizontal" by dividing by a combined scale factor of 0.99988.

GROUND LEASE parcel GL-9
UPON
CITY OF HUNTSVILLE, TEXAS PROPERTY
W. BIRDSSELL LEAGUE, A-6, WALKER COUNTY, TEXAS

Being 19,075 square feet of land, more or less, situated in the WARREN BIRDSSELL LEAGUE, Abstract No. 6, Walker County, Texas, and being out of and a part of a called 630 acres described in a Deed from The Texas Prison Board to the City of Huntsville, Texas dated November 19, 1945 recorded in Volume 112, page 55, Deed Records of Walker County, Texas, and being within that portion of said City of Huntsville 630 acre tract currently utilized for the Bruce Brothers Huntsville Regional Airport, said 19,075 square feet of land being described by metes and bounds as follows:

COMMENCING, for reference only, in the south line of said City of Huntsville 630 acre tract at the southeast corner of a called 3 acre tract (a daughter tract of said City of Huntsville 630 acre tract) described in a Deed from Curry H. Vogelsang, Trustee to J & W Corporation dated January 8, 1992 and recorded in Volume 159, page 637, Official Public Records of Walker County, Texas, said 3 acre tract being part of a called 14.469 acre tract described in a Deed from J & W Corporation to Pakka Investment LLC dated December 17, 2018 and recorded as Instrument No. 43651, Official Public Records, found a 1/2" iron rod with aluminum cap for corner, having coordinates of N= 10,263,959.95 feet and E= 3,786,429.16 feet, in the north right-of-way line State Highway No. 75, said right-of-way being a strip of land eighty feet in width as described in a Quit Claim Deed from Board of Prison Commissioners to Walker County, Texas dated March 23, 1925, and recorded in Volume 54, page 546, Deed Records and currently utilized as right-of-way for Interstate Highway No. 45;

THENCE N 39°10'18" E, within said City of Huntsville 630 acre tract, a distance of 1,369.08 feet to the **POINT OF BEGINNING**, a calculated point for corner, having coordinates of N= 10,265,021.34 feet and E= 3,787,293.94 feet;

THENCE S 86°00'00" E a distance of 381.50 feet to the northeast corner of an airplane hangar for corner;

THENCE S 04°00'00" W a distance of 50.00 feet to the southeast corner of said airplane hangar for corner;

THENCE N 86°00'00" W a distance of 381.50 feet to a calculated point for corner;

THENCE N 04°00'00" E a distance of 50.00 feet to the **POINT OF BEGINNING**.

NOTES:

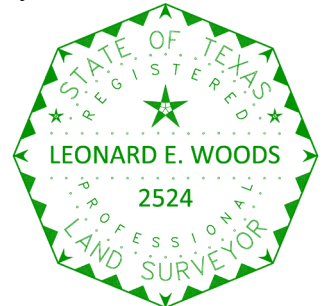
1. For further information, see Survey Plat, prepared concurrently with the legal description herein.

Surveyed: August 2026.

Signed _____



Leonard E. Woods
Reg. Prof. Land Surveyor No.2524



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STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF Walker§

This lease is made and entered into this _____ day of _____, by and between the City of Huntsville, hereinafter referred to as LESSOR and which is the owner of the Bruce Brothers Huntsville Municipal Airport, hereinafter referred to as AIRPORT and _____, hereinafter referred to as LESSEE who covenant and agree as follows:

WHEREAS, Lessor and Lessee are committed to the proper operation, improvement and continued development of the AIRPORT; and

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

NOW THEREFORE, in accordance with the terms, considerations and privileges listed herein, Lessor and Lessee covenant and agree as follows:

I. LEASED AREA

Lessor, in consideration of the rents, covenants and promises by Lessee herein contained, does hereby lease to Lessee and Lessee does hereby rent and accept from Lessor that real property referred to as the leased premises and more particularly described as Tract No. _____, located on the Airport as shown on Exhibit A attached hereto and incorporated herein by reference.

II. TERM

This Lease shall be for a term of thirty (30) years (the 'lease term') beginning on _____, and ending 30 years from the issuance of the certificate of occupancy, subject to earlier termination as hereinafter provided. At the end of the lease term the Lessee shall have the right of first refusal to re-lease the leased property on terms to be negotiated in good faith by both parties. Upon approval of this ground lease agreement construction of the hanger must commence within one (1) year.

III. GROUNDS FOR TERMINATION

Grounds for termination of this lease at any time by Lessor shall include but not limited to:

1. Non-payment of rental.
2. Violation of any term, condition or promise contained or referenced herein.
3. Violation by Lessee of any provision of Chapter 10, Aviation of the Code of Ordinances of the City of Huntsville as amended, and as amended in the future, all of which is incorporated herein by reference.
4. Violation of Airport Zoning or the lawful rules, regulations, or orders of the City of Huntsville.
5. Violation of the laws, rules, rulings, orders or regulations of the State of Texas, the United States or the Federal Aviation Administration pertaining to the Bruce Brothers Huntsville Municipal Airport or tenants or aircraft operators thereon.
6. Failure to comply with the commencement of construction within the one (1) year period.

Prior to termination under this section, the City of Huntsville shall provide Lessee with written notice of anything deemed to be a violation or cause for lease termination and Lessee shall, except as otherwise set forth herein, have seven (7) days to cease and desist such violation or to remedy such other act or omission. As to any such violation, act or omission deemed by the City Manager or appropriate officers or officials of Lessor to be a source of substantial or imminent danger to the safety of persons or property, including air or ground traffic, Lessee shall, upon written or oral notice from Lessor, immediately and forthwith cease and desist such violation, act or omission or Lessee's leasehold right hereunder shall be subject to immediate oral termination by Lessor. The seven (7) day notice, where applicable, shall further only apply to the first two notifications of violations, acts or omissions by Lessee in any lease term, there being no necessity for such notice before termination thereafter.

IV. CONSIDERATION

1. In consideration for the lease of the Land/Hangar/Building/Office referenced herein, Lessee hereby agrees to pay yearly rental of _____ (**fifteen (\$0.15)** cents per sq. ft.) of lease premises leased to Lessee. The first year's payment shall be prorated to the beginning of the City's next fiscal year and shall be made in advance upon the signing of this lease. Thereafter, all future payments shall

February 1, 2024

- be billed during the first month of each fiscal year during the term of this contract plus any extensions thereto, and shall be payable within 20 days of billing.
2. Lessee agrees that the lease payment listed herein shall be subject to review annually by Lessor throughout the term of the lease and prior to any extensions granted. Any adjustments to the lease payment shall be based on the United States Consumer Price Index for all Urban Consumers (CPI-U) for the month of June preceding the change date. Any adjustment to the lease fee shall become effective the first day of Lessor's fiscal year and shall not exceed five percent (5%) per year. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next adjustment. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Land/Hangar/Office/Building shall not be decreased, but shall remain at the same level as was charged during the preceding 1 year period.
 3. Lessee agrees to at all times keep the premises of the Land/Hangar/Building/Office, including the inside and outside of the Hangar/Building/Office, clean and free of trash, litter, tall grass, weeds, junked automobiles, boats and scrap aircraft parts. Lessee shall abide by all applicable rules and regulations of the Environmental Protection Agency, the Texas Natural Resources Conservation Commission, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency regarding the use, storage, and disposal of hazardous chemicals, fuel and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased premises clean and free of hazards, such failure shall be a ground for termination under this lease. Lessor may, after thirty (30) days written notice, arrange for the clean-up of the littered or hazardous area. Such clean-up shall be charged to Lessee and payable upon demand. Failure to render proper payment for such clean-up and/or general disregard of the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.
 4. Lessee agrees to maintain the hangar and improvements located on the leased premises in a good state of repair. Such Lessee shall further keep the leased premises insured with policies of general liability insurance, in an amount of \$1,000,000.00 for each person injured, up to an aggregated \$1,000,000.00 for personal injury in any one accident and \$2,000,000.00 for property damage. Such policy originals shall name the City of Huntsville as additional insured and be paid for and kept in force by Lessee throughout the term of this lease and duplicates of such policies and renewals thereof and changes thereto shall promptly be delivered to Lessor.
 5. Lessee shall be responsible for any and all taxes assessed on improvements placed on leased premises.

V. PERMITTED USE

Lessor covenants and agrees that Lessee, on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the leased premises during the term of this lease without hindrance or molestation of Lessor or any person claiming under Lessor except such portion of the leased premises, if any, as shall be taken under the power of eminent domain.

In the event the tract herein leased has a hangar or other improvements located thereon or such are subsequently placed thereon, Lessor expressly disclaims any express or implied warranties regarding such structure including soundness, habitability, safety, or condition. Lessor further advises Lessee that it makes no warranties regarding the fitness for purpose of any equipment and fixtures and the like, Lessee taking them As Is and with all faults since this is a ground lease only.

Where allowed by Lessor, Lessee agrees to allow other Lessees of adjoining tracts subsequently constructing hangars to attach to and use Lessee's walls and supports. Consideration for such use to the Lessee of the existing hangar shall be prompt payment by the subsequent hangar Lessee of one-half (1/2) of the actual cost of hangar common walls payable to the current Lessees of the adjoining hangars.

Lessee may store his privately owned property inside the hangar, provided that it meets local fire codes and at least seventy-five (75) percent of the hangar floor area is used for aircraft and aviation related purposes.

Lessee may store aviation related products or equipment inside the hangar for use in his aircraft so long, and only so long, as such products or equipment are contained in marked, approved containers, and are stored in accordance with the Airport Rules and Regulations as amended and incorporated herein by reference. Such storage shall be at the discretion of and with written approval from the Huntsville Fire Marshal certifying such storage is allowed under local fire codes.

Lessor reserves the right to enter the leased premises at all reasonable times to inspect for compliance with this lease and the ordinances, regulations, laws, rules and orders of the Lessor, the State of Texas and of the United States.

At the expiration of the lease term, Lessee shall quit and surrender the leased premises hereby demised in as good state and condition as they were in at the commencement of the term, reasonable use and wear and tear thereof and in accordance with the other terms within this lease.

VI. RESTRICTED USE

Lessee agrees that he will not conduct any commercial activity on the leased premises without permission for such operations being granted in writing by Lessor.

Lessee agrees that, subject to the other terms of this paragraph, the usage of at least seventy-five (75) percent of the hangar floor area shall be limited to aircraft and aviation related purposes. In addition, no personal property, including automobile, bus, truck, or other transportation mode, may be permanently stored on associated apron, paved, or grass area.

A Lessee shall not be deemed to be engaged in commercial operations for purposes of determining whether such person is or should become a Fixed Base Operator engaged in hangar rental if the Lessee:

- A. Allows such storage or parking pursuant to a written sublease agreement on a form provided by the City of Huntsville which requires Sublessee to honor all terms and conditions of the Sublessor's lease with the City, and
- B. Owns, leases or subleases not more than 35 percent of the number of hangars of all types located at the Bruce Brothers Huntsville Municipal Airport, whether or not such hangars are subleased.

The fact that a Lessee or Sublessee is a corporation, partnership, joint venture, limited partnership, or association shall not, of itself, cause the Lessor's or Sublessor's use of the leased premises to be deemed commercial use. Use of the leased premises for purposes other than storage or parking of tenant's aircraft (whether owned or bona fide leased to tenant) and storage and use of aircraft related items such as tools and parts and Lessee's or Sublessee's maintenance on his owned or leased aircraft, or expense sharing as set out in this section, shall be deemed commercial. For purposes of item B above, a Lessee shall be considered to include persons related in the second degree of consanguinity or affinity or a legal entity majority owned or controlled by such person.

If a hangar is not presently located on the leased premises, Lessee represents that Lessee has the present intention of constructing a permanent conforming aircraft hangar on the leased premises and shall begin construction of such hangar within thirty (30) days of obtaining a building permit from the City of Huntsville, which permit shall be obtained within three hundred and sixty-five (365) days after the signing of this Agreement. Such permit shall be sought with due diligence. Hangars shall be completed within two hundred seventy (270) days of the date of beginning of construction. All hangars constructed on the leased premises shall be built to the minimum requirements of the International Building Code, as amended, as adopted by the City of Huntsville and as from time to time amended. Plans, construction, materials, and workmanship of and in such hangar shall be subject to the same approval and inspection and certificates of occupancy by the building inspectors, officials, and sanitarians of the City of Huntsville as if such were located within the corporate limits of the City of Huntsville. Failure to obtain such building permit, to timely commence and complete such hangar construction, or to build such hangar in compliance with the referenced code and requirements or to obtain such inspections and certificate shall be an additional ground for termination of this lease by Lessor.

Nonconforming hangars already built on leased premises shall be allowed to remain unless abandoned for aircraft storage for one (1) year, destroyed or damaged to the extent of fifty percent (50%). Such abandoned, destroyed, or damaged hangars shall be forthwith removed by the Lessee at Lessee's expense. Such abandoned, destroyed, or damaged hangar may be rebuilt in conforming manner as if it were new construction under the terms of Section V above.

Lessee agrees to have an acceptable number of fire extinguishers of acceptable size as determined by the local fire marshal inside the hangar. Such fire extinguishers shall be readily available in the event of fire.

Lessee's agents, employees, invitees, and guests shall be held to the same standards for conduct as Lessee, and their violations, acts or omissions hereunder shall be seen as those of Lessee for the purposes of this lease.

Lessee, in exercising any of the rights or privileges herein granted to it, shall not on the grounds of sex, race, color, or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Secretary of Transportation, Part 15 of the Federal Aviation Regulations or by the United States or the State of Texas. The Lessor is hereby granted the right to take such action, anything for the contrary notwithstanding, as the United States, State of Texas or their agencies or courts may direct to enforce this nondiscrimination covenant.

VII. SUBLEASE, ASSIGNMENT OR SALE

Lessee agrees not to assign or sublease the leased premises, or any improvements placed on leased premises, or allow any other person except Lessor's agents and employees to occupy the premises, without first obtaining Lessor's written consent. This lease is for the purpose of aviation related business or bona fide leased to Lessee or Sublessee. Upon written consent from Lessor to sublease or assign the leased premises, the proposed Sublessee or assignee shall agree to perform Lessee's duties and responsibilities contained in this Lease Agreement.

Should Lessee or Lessee's assignee in an assignment approved in writing by Lessor, have completed construction on a hangar on the leased premises and Lessee or Lessee's assignee desire to sell such improvements, assign or transfer such leasehold interest herein granted, or such leasehold interest is terminated, then Lessor shall have the first option to purchase such improvements, based upon the following provisions:

- a) Lessee may at his option sell any improvements placed by Lessee on the leased premises. If Lessee has received a bona fide offer to purchase the improvements, then Lessee shall serve written notice to Lessor of such offer, accompanied by an appraisal from a certified appraiser, enclosing a copy of such appraisal and offer which shall be made in writing. Value shall be based upon present value of improvements assuming a ten (10) year lease. Should Lessor elect not to exercise its option to purchase, such sale shall be made subject to approval by Lessor of a new lease to the purchaser of the improvements, (such

approval shall not be unreasonably withheld, and provided such sale shall be subject to the right of first refusal provided above).

- b) Lessee shall not serve written notice of such offer upon Lessor unless Lessee actually intends to accept same.
- c) Upon receipt of such written notice, Lessor shall have the option to purchase Lessee's leasehold interest upon the same terms stated in such bona fide offer.
- d) Lessor shall exercise such option to purchase by serving written notice to Lessee within ten (10) days after receipt of Lessee's written notice of the offer.
- e) If Lessor fails to exercise its option to purchase in the manner provided in this section, Lessor's right to purchase shall terminate and Lessee may assign the remaining portion of the Lease (subject to Lessor's approval which shall not be unreasonably withheld) to the offeror in accordance with the terms of such written offer.
- f) Lessee shall not assign this lease or sell such improvements except as herein provided, and any attempted assignment or sale in violation hereof shall be voidable by Lessor.
- g) If improvements placed on the leased premises by Lessee are determined by Lessor to impede airport improvements or expansions detailed in the Airport Master Plan or Airport Layout Plan approved by the Texas Department of Transportation and the Federal Aviation Administration, Lessor may elect to terminate this lease, or refuse any renewal term upon any proposed sale or assignment by Lessee. Further, Lessor may refuse to negotiate a further lease at the end of the lease term. In the event Lessor refuses renewal of this lease on the grounds stated above, then Lessor shall so notify Lessee in writing and pay Lessee the unamortized portion of appraised value of Lessee's improvements based on the remaining years of this lease in accordance with section h below. The appraised value of the improvements shall be determined by a panel of three certified appraisers. Lessor and Lessee shall each appoint one certified appraiser, and the two appraisers so appointed shall select a third person to serve as appraiser. The appraisers shall be selected by Lessor and Lessee within thirty (30) days after Lessor serves notice upon Lessee of its election not to re-lease the leased premises. Lessor shall pay Lessee the calculated appraised value of such improvements, and Lessee shall transfer and convey such improvements to Lessor within ninety (90) days after Lessor serves notice of its election not to re-lease the leased premises.
- (h) Within 6 months of the termination of this lease the Lessor shall pay to Lessee the unamortized portion of the cost of the permanent structures and fixed improvements constructed and installed there. That amortization is to be computed based on the number of months remaining on the lease from the date the Certificate of Occupancy is issued to the expiration date of the initial term of this agreement.
- (i) In the event of default by Lessee of any term or condition of this lease, and the lease is terminated by Lessor on grounds so specified in this Agreement, or in the event that Lessors and Lessee are unable in the exercise of good faith to agree on the terms of a re-lease of the leased premises at the end of the lease term, then Lessee may at his option either:
 - 1. Within a period of sixty (60) days, upon reasonable advance notice to the Airport Manager, remove all personal property, equipment, or trade fixtures owned by Lessee, with the exception of common walls in hangars, provided that if Lessee elects to remove such improvements he shall restore the leased premises to as good a condition as at the commencement of this Lease, normal use and wear and slab removal excepted. Lessee shall not remove the common wall on any hangars having a common wall. If Lessee so elects to remove such improvements, he shall quit and surrender the leased premises to Lessor on the termination date of the Lease subject to his right of re-entry upon the Leased Premises for the sole purpose of removing such improvements and restoring the leased premises to its original condition.
 - 2. Elect to sell improvements placed on the leased premises. If Lessee elects to sell such improvements, Lessee shall serve written notice of such election upon Lessor within sixty (60) days after the termination of the Lease. Such notice shall be accompanied by payment of rent for a period of one (1) year, together with any rent arrearage owed by Lessee to Lessor. Upon giving notice and paying the rent stipulated above, Lessee shall have a period of one (1) year following the Lease termination date within which to sell such improvements, and upon such termination of such one-year period Lessee shall have an option to extend the time for selling such improvements for additional one-year periods by giving notice and paying one year's rent in the same manner set forth above. During such period of time, not to exceed five (5) years following termination of the Lease, the leased premises shall remain vacant and shall not be used for any purpose by Lessor or Lessee. Upon the sale of such improvements by Lessee, Lessee's right and privilege to use the leased premises for any purpose whatsoever shall terminate, and the ratable portion of rent paid by Lessee for the remainder of the year during which the sale of such improvements is made shall be refunded by Purchaser to Lessee.
- (i) If Lessee fails to remove or sell his improvements on the Leased Premises in the manner provided above, or if Lessee fails to serve such notices on Lessor and pay the rent required above for extending the time within which Lessee may sell such improvements, such improvements shall be deemed abandoned by Lessee sixty (60) days following the Lease termination date, and all

improvements on the Leased Premises shall be forfeited to Lessor as liquidated damages for any past or future default by Lessee in payment of rent under this Agreement, and Lessee’s obligation to pay rent hereunder, either arrearages or future rent, shall be terminated.

- (ii) All sublease(s), assignments or sale are subject to the provisions of Article X “Title to Improvements”.

**VIII.
INDEMNITY**

Lessee shall indemnify the Lessor, its officers, agents and employees, against all liabilities of and to third persons, excluding liabilities resulting from the primary or active negligence of the Lessor, its officers, agents and employees, arising out of the use or occupancy of the premises by Lessee or others with its consent or out of any other acts or omissions of Lessee, its officers, agents and employees, on the premises or elsewhere on the airport. In the event any claim is made, or action brought that is covered by the above indemnity the Lessor shall give prompt written notice of that claim or action to Lessee and, if requested, Lessee shall attend to the defense of it. The Lessor shall not take any action, including settlement or compromise, which may in any manner adversely affect Lessee's ability to defend against any claim or action, and if the Lessor desires to defend itself without waiving its rights under the indemnity above it shall do so at its own expense and Lessee shall be allowed to participate, at its expense, in the defense.

IX. MAINTENANCE, IMPROVEMENT OF AIRPORT

Lessor has applied for and received or may receive a grant or grants of money from the Federal Aviation Administration pursuant to the Federal Airport Act of 1946, as amended, and/or the Texas Department of Transportation, and the Lessor may in the future apply for and receive other such grants. In connection therewith, Lessor has undertaken and may in the future undertake certain obligations respecting its operation of the airport and activities of its contractors, lessees, and permittees thereon. The performance by Lessee of the covenants, conditions, and obligations contained in this agreement is therefore a special inducement to and consideration for the execution of this lease by Lessor, and Lessee further covenants and agrees that if the Federal Aviation Administration, the Texas Department of Transportation or other governmental body or officer having jurisdiction over the enforcement of the obligations of Lessor in connection with federal or state aid shall make any orders, recommendations, or suggestions respecting the performance by Lessee of its obligations under this agreement, Lessee will promptly comply therewith at the time or when and to the extent that Lessor may direct.

Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the leased premises would have a negative impact on, or impair any proposed development or improvements at the Airport. This contract agreement may be terminated regardless of the desires, wishes or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan. In this case, Lessor shall exercise its right to acquire such improvements as outlined in Section VII above. If the Lessee is unable to utilize the leased space due to improvements and/or repairs to the public use areas of the airport, this lease may be extended by the number of days the leased area is unable to be utilized.

Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities necessary at the Airport and may close the Airport at any time and at its own discretion. Such closure shall immediately void this contract and no damages or monies, or other compensation will be owed to Lessee by Lessor.

Lessee shall pay or cause to be paid all charges for water, heat, gas, electricity, sewers and any and all other utilities used on the leased premises throughout the term of this lease, including any connection fees.

X. Title to Improvements

The Lessor solely owns the Leased Premises. Any and all improvements made to the Leased Premises by Lessee shall become the property of Lessor upon the expiration or termination of this Agreement in accordance with Section VII above; provided, however if Lessee is not then in default hereunder, Lessee shall have the right to remove all personal property, equipment, or trade fixtures owned by Lessee from the Leased Premises, but Lessee shall be required to repair any damage to the Leased Premises caused by such removal in a good and workmanlike manner and at Lessee's sole cost and expense. If LESSEE fails or refuses to remove any or all of Lessee 's personal property, equipment, and trade fixtures from the Leased Premises on or before the date of the termination of this Agreement, the items which Lessee has failed or refused to remove: (i) shall be considered abandoned by Lessee, (ii) shall become the property of Lessor, and (iii) may be disposed of by Lessor in any manner desired by Lessor in Lessor's unfettered discretion.

XI. EXCLUSIONS

No waiver by Lessor of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation hereof.

In the event Lessor or Lessee breaches any of the terms of this agreement whereby the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the other party reasonable attorney's fees so incurred by such other party.

The numeric captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.

Time is of the essence of this agreement.

For the purpose of this agreement, the singular number shall include the plural and the masculine shall include the feminine and vise-versa, whenever the context so admits or requires.

This agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this agreement.

This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Walker County, Texas.

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

This agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the written subject matter.

No amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

The rights and remedies provided by this lease agreement are cumulative.

This lease entered into this the ____ day of _____

Lessor:

Lessee:

City of Huntsville

City Manager
1212 Avenue M
Huntsville, TX 77340

ATTEST: _____



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 1.i.

Agenda Item: Consider entering into an interlocal agreement with Sam Houston State University for the High Potential Leadership Academy.

Initiating Department/Presenter: City Manager

Presenter:

Brian Beasley, Assistant City Manager - Internal & Community Services

Recommended Motion: Move to enter into an interlocal agreement with Sam Houston State University for the High Potential Leadership Academy for a one-time payment of \$6,000 for the 2026-2027 Leadership Academy.

Strategic Initiative: Strategic Priority #5, Community Engagement and Partnerships — A strong Huntsville is built on trust - between the City and its residents, and among the many partners who share a stake in this community's future. The City is committed to transparent communication and ensuring our residents have access to the decisions and data that affect their community. It actively seeks out meaningful partnerships that multiply the City's impact. This engagement creates opportunities for residents of all ages to participate, connect, and take pride in the place they call home.

Discussion: Participation of two employees selected by the City of Huntsville (CoH) in the nine-month High Potential Employee Leadership Academy beginning August 2025 and ending May 2026. The program events and classes will be hosted, organized, and taught by Sam Houston State University. The City-sponsored participants for the 2026-2027 cohort are Savannah Gonzales-Caballero and Jacob Zuniga

Previous Council Action: On February 3, 2026, Council approved the interlocal agreement for the 2025-2026 cohort of SHSU's Leadership Academy. The previous City-sponsored participants were Sandra Rodriguez and Layne Yeager.

Financial Implications: \$6,000

Approvals:

Scott Swigert

Robby Chapman

Sharon Schultz

Kristy Doll

Associated Information:

1. FY27 Interlocal Agreement - CoH



Controller's Office

INTERLOCAL AGREEMENT

VENDOR AGENCY:

Sam Houston State University (AGY 753)
Box 2183
Huntsville, TX 77341-2183

Contact: Jennifer Jones
Controller
jjj093@shsu.edu
(936) 294-3405

DATE: September 2, 2026

REFERENCE/INVOICE: LA27-CoH

REQUESTING AGENCY:

City of Huntsville
1212 Avenue M
Huntsville, TX 77340

Contact: Olivia Discon
Assistant to the City Manager
odiscon@huntsvilletx.gov
(936) 291-5415

Title: High Potential Employee Leadership Academy

Description: Participation of two employees selected by the City of Huntsville (CoH) in the nine-month High Potential Employee Leadership Academy beginning August 2026 and ending May 2027. The program events and classes will be hosted, organized, and taught by Sam Houston State University.

Payment Terms: One-time payment of \$6,000 for the 2026-2027 Leadership Academy. Please make checks payable to Sam Houston State University and mail to the address above, Attn: Tiffany Terry. Payment is due by October 1, 2026.

Participants:

Savannah Gonzalez-Caballero
Jacob Zuniga

Scott Swigert
City Manager, City of Huntsville

Amanda R. Withers
Amanda Withers
CFO & Senior VP for Operations, SHSU

Russell Humphrey
Mayor, City of Huntsville



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 2.a.

Agenda Item: Consider adopting Ordinance No. 2026-23 to adopt the FY 2026-2027. Budget with all policies, fees, rates, and provisions as referenced therein. **Record/rollcall vote required**

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Recommended Motion: Move to adopt Ordinance No. 2026-23 to adopt the FY 2026-2027 Budget with all policies, fees, rates and provisions as referenced therein. **Record/rollcall vote required**

Strategic Initiative: Strategic Priority #3 - Quality of Life: Establish an environment where citizens can thrive and enjoy the City in which they live. Provide services that enhance the quality of life for all, with a focus on the full life cycle (children, students, families, and retirees) by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

Discussion: This FY 2026-2027 Budget is presented to the Council for approval after six months of preparation by staff, the City Manager's recommended budget was provided to Council on August 7th, a presentation to Council on August 11th for the budget, and a Public Hearing on the Budget on September 1st. This budget has been prepared using a Property Tax Rate of \$0.3775.

Previous Council Action: At the September 1, 2026 City Council meeting, the Council voted to postpone adoption of the budget until September 15, 2026.

Financial Implications: Approval of this item will put in place the Budget for FY 2026-2027

Approvals:

Lance Hall
Brian Beasley
Scott Swigert
Robby Chapman
Sharon Schultz
Kristy Doll

Associated Information:

1. Ordinance 2026-23- Budget adoption FY 27
2. Exhibit A Fund Revenue - Expenditures and Projected Balances FY 2027
3. Exhibit A1 CIP city fund summary FY 2027
4. Exhibit B FY 26-27 Fiscal Policies

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5. Exhibit C FY 26-27 Investment Banking Policy with OPEB.PEB Trust
 6. Exhibit D FY 27 Fee Schedule Proposed
 7. Exhibit E FY 26-27 Travel Policy
 8. Exhibit F FY 26-27 Procurement Manual
 9. 2026-2027 City of Huntsville Proposed Budget

ORDINANCE NO. 2026-23

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, FINDING THAT ALL THINGS REQUISITE AND NECESSARY HAVE BEEN DONE IN PREPARATION AND PRESENTMENT OF AN ANNUAL BUDGET; APPROVING AND ADOPTING THE OPERATING AND CAPITAL IMPROVEMENTS BUDGET FOR THE CITY OF HUNTSVILLE, TEXAS, FOR THE PERIOD OCTOBER 1, 2026, THROUGH SEPTEMBER 30, 2027 RATIFYING AND APPROVING FISCAL AND BUDGETARY POLICIES; RATIFYING AND APPROVING THE INVESTMENT AND BANKING POLICIES; RATIFYING AND APPROVING VARIOUS FEES, RATES AND CHARGES; AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

WHEREAS more than thirty days before the end of the City's fiscal year and more than thirty days before the adoption of this ordinance, the City Manager of the City Huntsville, Texas, submitted a proposed budget for the ensuing fiscal year according to Section 11.05 of the Charter of the City of Huntsville, Texas, and Texas Local Government Code Section 102.005; and

WHEREAS the City Manager filed a copy of the proposed budget with the City Secretary, and the budget was available for public inspection at least fifteen days before the budget hearing and tax levy for the fiscal year 2026-2027 [Texas Local Government Code § 102.006]; and

WHEREAS the itemized budget shows a comparison of expenditures between the proposed budget and the actual expenditures for the same or similar purposes for the preceding year and the estimated amount of money carried for each [Texas Local Government Code § 102.003(a)]; and

WHEREAS the budget contains financial information of the municipality that shows the outstanding obligations of the City, the available funds on hand to the credit of each fund, the funds received from all sources during the preceding year; the funds available from all sources during the ensuing year; the estimated revenue available to cover the proposed budget; and the estimated tax rate required to cover the proposed budget [Texas Local Government Code § 102.003(b)]; and

WHEREAS notification has been provided to the public concerning the public hearing for the fiscal year 2026-2027 budget [Texas Local Government Code § 102.0065]; and

WHEREAS the budget for the year October 1, 2026, through September 30, 2027, has been presented to the City Council, and the City Council has held a public hearing with all notice as required by law, and all comments and objections have been considered; and

WHEREAS the fees, rates, and charges set out herein are reasonable and necessary and are established and set in the best interests of the City.

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

SECTION 1: City Council adopts the budget for the City of Huntsville, Texas, now before the City Council for consideration and attached, as the budget for the city for the period of October 1, 2026, through September 30, 2027

SECTION 2: The appropriation for the ensuing fiscal year for operating expenses, debt service and capital outlay budgets shall be fixed and determined as shown in Exhibit A and by reference to the Fund Summaries with account classification totals in the City Secretary's office.

SECTION 3: New projects described for fiscal year 2026-2027 in the Capital Improvements budget portion of the 2026-2027 budget are approved at the cost level indicated, subject to the availability of funding of project costs (Exhibit A1).

SECTION 4: City Council approves the monthly payment for an eligible employee to the City's Medical Insurance Internal Service Fund of \$850.00 per month (\$10,200.00 annually), per employee electing coverage.

SECTION 5: City Council approves a budgeted TMRS rate established according to TMRS rates for the benefit levels elected by the City.

- SECTION 6:** City Council approves a transfer of an amount equal to five (5.0%) percent of the gross revenues received during Fiscal Year 2026-2027 from all water, wastewater, and solid waste customers, as a transfer to the General Fund to compensate the City for the use of streets and rights-of-way by the Water, Wastewater, and Solid Waste Funds.
- SECTION 7:** City Council hereby reviews and approves the Fiscal Policies (Exhibit B).
- SECTION 8:** City Council hereby has reviewed and approves the investment policies, strategies, and the Investment and Banking Policies and Investment Policy Statement for the Post-Employment Benefit Plan (Exhibit C).
- SECTION 9:** City Council hereby has reviewed and approves and reauthorizes building permit fees and other fees, rates, charges, and their associated revenue, which is incorporated into the budget; Exhibit D. authorizes water, wastewater, and solid waste rate increases as noted.
- SECTION 10:** City Council hereby has reviewed and approves the Travel Policy (Exhibit E).
- SECTION 11:** City Council hereby has reviewed and approves the Procurement Manual (Exhibit F).
- SECTION 12:** The City Secretary is directed to maintain a copy of the adopted budget, to file a copy of it with the City Library and the County Clerk, and to publish a notice saying the budget is available for public inspection [Texas Local Government Code §§ 102.008 and 102.009(d)].
- SECTION 13:** Council may amend this budget from time to time as provided by law for the purposes of authorizing emergency expenditures or for municipal purposes, provided, however, no obligation shall be incurred or any expenditure made except in conformity with the budget [Texas Local Government Code §§ 102.009-102.011; Huntsville City Charter §§ 11.06-11.07].
- SECTION 14:** The City Manager may, within the policies adopted within this budget, authorize transfers between budget line items; City Council may transfer any unencumbered appropriated balance or portion of it from one office, department, or agency to another at any time, or any appropriation balance from one expenditure account to another within a single office, department, or agency of the City [Huntsville City Charter §11.06.].
- SECTION 15:** City Council expressly repeals all previous budget ordinances and appropriations if in conflict with the provisions of this ordinance. If a court of competent jurisdiction declares any part, portion, or section of this ordinance invalid, inoperative, or void for any reason, such decision, opinion, or judgment shall in no way affect the remaining portions, parts, or sections, or parts of a section of this ordinance, which provisions shall be, remain, and continue to be in full force and effect.
- SECTION 16:** This ordinance shall take effect immediately after its passage.

PASSED AND APPROVED on this, the 15th day of September 2026

THE CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

ATTEST:

APPROVED AS TO FORM:

Kristy Doll, City Secretary,

Robby Chapman, City Attorney

Fund	Fund Name	Estimated 09/30/26 Unallocated Reserve	Revenues	Admin Reimb In	Trans In	Total Revenue	Expenditures	Admin Reimb Out	Trans Out	Transfer to Cap	Exp	One Time Equity	Total Exp	Estimated 09/30/27 Unallocated Reserve
101	General Fund	17,683,223	30,813,813	8,608,587	3,023,273	42,445,673	39,851,819		1,555,924	975,000	42,382,743		42,382,743	17,746,153
Debt Service														
116	Debt Service Fund	609,505	1,240,267	-	590,363	1,830,630	2,364,132	-	-	-	2,364,132	-	2,364,132	76,003
Enterprise														
220	Utility Fund	15,063,047	49,486,220	165,347	-	49,651,567	30,410,742	7,147,973	3,857,936	8,200,000	49,616,651		49,616,651	15,097,963
224	Solid Waste Fund	7,439,265	9,339,075	-	-	9,339,075	6,312,495	1,747,013	945,307		9,004,815		9,004,815	7,773,525
226	Stormwater Drainage Fund	999,818	1,537,500			1,537,500	1,350,216		178,453		1,528,669		1,528,669	
227	Airport Enterprise Fund		379,600			379,600	348,947		30,653		379,600		379,600	
Internal Service														
302	Medical Insurance Fund	4,104,453	3,924,690		977,650	4,902,340	4,590,877	-	-	-	4,590,877		4,590,877	4,415,916
306	Capital Equipment Fund	15,779,850	200,000	-	2,000,246	2,200,246	2,094,601	-	-	-	2,094,601		2,094,601	15,885,495
309	Computer Equip. Replacement Fund	1,172,821	18,000	-	1,096,021	1,114,021	1,096,022	-	-	-	1,096,022		1,096,022	1,190,820
Special Revenue														
601	Court Security SRF	95,977	32,000			32,000	-	-	30,605	-	30,605		30,605	97,372
602	Court Technology SRF	69,949	59,000	-	-	59,000	42,600	-	-	-	42,600		42,600	86,349
609	Airport SRF	212,110	110,800	-	-	110,800	110,800	-	-	-	110,800		110,800	212,110
610	Library SRF	227,789	20,000	-	-	20,000	20,000	-	-	-	20,000	-	20,000	227,789
611	Police Seizure & Forfeiture SRF	241,729	303,408	-		303,408	303,408	-	-	-	303,408	-	303,408	241,729
612	PD School Resource Officer SRF	227,517	722,363	-	165,300	887,663	843,337	-	44,326	-	887,663		887,663	227,517
613	PD Fed Equitable Sharing Fds SRF	262,026	163,760	-	-	163,760	163,760	-	-	-	163,760		163,760	262,026
614	Police Grants SRF	45,569	20,000			20,000	20,000				20,000		20,000	45,569
619	LEOSE SRF	41,117	49,626			49,626	49,626				49,626		49,626	41,117
623	Homeland Security		300,000			300,000	300,000				300,000		300,000	
Hotel/Motel Tax														
618	Arts & Visitor Center SRF	289,924	252,700	-		252,700	246,849	-	-	-	246,849		246,849	295,775
663	H/M Tax- Tourism & Visitors Cntr	1,477,583	1,160,500	-		1,160,500	1,041,008	54,141	56,806	-	1,151,955		1,151,955	1,486,128
Endowment														
402	PEB Trust - Medical Fund	7,110,646	600,000	-	-	600,000	-	-	977,650	-	997,650	-	997,650	6,712,996
461	Oakwood Cemetery Endowment Fund	435,938	10,000	-	-	10,000	-	-		-	-		-	445,938
		73,589,856	100,743,322	8,773,934	7,852,853	117,370,109	91,561,239	8,949,127	7,677,660	9,175,000	117,383,026		117,383,026	

City of Huntsville
Proposed Capital Projects
FY 2026-27 Budget

	FY 26-27 City Fund
Water CIP	
Camellia from West Green Briar to 1894 Camellia upsize to 12" (1900')	\$ 990,000
Veterans Memorial from FM1374 to Woodward 12" (3500')	\$ 936,000
10th Street from Old Madisonville to Ave M. 6" & 8" (2000')	\$ 800,000
University Avenue from Thomason to FM 247/Ave M 8" (1200')	\$ 800,000
Ave Q from 15th Street to 17 Street 6" (1200')	\$ 800,000
Total Water CIP	\$ 4,326,000

Wastewater CIP	
Elkins Lake #2 (EL 2) Lift Station Rehabilitation+Force Main Replacement	\$ 650,000
Elkins Lake #3 (EL 3) Lift Station Rehabilitation and Expansion	\$ 650,000
Bayes (BA) Lift Station Rehabilitation	\$ 74,000
Rehabilitation and Expansion Hitching Post Lift Station (0.15 to 0.3 MGD)/Combined w/ Project #23	\$ 1,500,000
Sewer line at end of Ross Street 200' of 6" with manhole crossing Town Creek. Manhole and pipe eroded away. Erosion control for the bank.	\$ 250,000
Drainage/Street/Utility Impact Fee Study	\$ 750,000
Total Wastewater CIP	\$ 3,874,000

General Fund CIP	
Aquatic Center pool decking and recreation pool replaster	\$ 190,000
Parks improvements	\$ 72,000
Library generators	\$ 350,000
Fire Station Design	\$ 75,000
Total General Fund CIP	\$ 687,000

Multimodal	
Sidewalks	\$ 100,000
20th Street expansion from Normal Park to IH45	\$ 138,000
Future multimodal projects	\$ 50,000
Total Multimodal	\$ 288,000

Projects Grand Total	\$ 9,175,000
Total Contribution from Utility Fund	\$ 8,200,000
Total Contribution from General Fund	\$ 975,000
Total Contribution all Funds	\$ 9,175,000

Fiscal and Budgetary Policies

I. STATEMENT OF PURPOSE

The purpose of the Fiscal and Budgetary Policies is to identify and present an overview of policies dictated by state law, the City Charter, City ordinances, and administrative policies. The aim of these policies is to achieve long-term stability and a positive financial condition. These policies provide guidelines to the administration and finance staff in planning and directing the City's day-to-day financial affairs and in developing financial recommendations to the City Council. These policies set forth the basic framework for the overall fiscal management of the City. Operating independently of changing circumstances and conditions, these policies assist in the decision-making process. These policies provide guidelines for evaluating both current activities and proposals for future programs.

These policies represent long-standing principles, traditions and practices which have guided the City in the past and have helped maintain financial stability. An important aspect of the policies is the application of budget and fiscal policies in the context of a long-term financial approach. The scope of these policies span accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management and debt management.

The City Council and/or Finance Committee annually review and approve the Fiscal and Budgetary Policies as part of the budget process.

II. BASIS OF ACCOUNTING

A. **Accounting in Accordance With GAAP.** The City's finances shall be accounted for in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board.

1. **Organization of Accounts.** The accounts of the City shall be organized and operated on the basis of funds. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions
2. **Fund Structure.** The City of Huntsville uses the following fund groups:

Governmental Funds:

General Fund
General Obligation Debt Service Fund
Capital Projects Funds

Special Revenue Funds:

Municipal Court Special Revenues
Library Special Revenues
Airport Special Revenues
Police Special Revenues
Hotel/Motel Tax & Arts

Proprietary Funds:**Enterprise Funds:**

Utility Fund (Water & Wastewater operations)
Solid Waste Fund
Drainage Fund

Internal Service Funds:

Medical Insurance
Equipment Replacement
Computer Replacement

Permanent Funds:

Library Endowment
Oakwood Cemetery Endowment

Trust Funds:

Retiree PEB Trust –Medical
Scholarship Fund
Employee Assistance Fund

3. **Governmental Fund Types.** Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, General Obligation Debt Service and Capital Project funds. Governmental fund types shall use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.
4. **Proprietary Fund Types.** Proprietary fund types are used to account for the City's business type activities (e.g., activities that receive a significant portion of their funding through user charges). The City has two types of proprietary funds: Enterprise Funds and Internal Service Funds. The City's Proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Enterprise funds receive their revenues primarily through user charges for service. Internal Service funds receive their revenues primarily from the other funds of the City.
5. **Permanent Funds.** The Library Endowment Fund and Oakwood Cemetery Endowment Fund are used to account for endowments received by the City. Money available for expenditures in these funds are the accumulated interest earnings.
6. **Trust Funds.** The PEB Trust for retirees is used to account for funds designated for use for retiree Health Insurance costs if needed. Monies in this Fund help to lessen the City's Unfunded Accrued Actuarial Liability (UAAL) that is the result of the City providing a health insurance benefit to certain retirees. The Employee Assistance

Fund is funded by contributions from City employees and monies are used to assist employees encountering catastrophic illness (examples – cancer, vehicle accidents, etc.) medical costs. The Scholarship Fund is also funded by contributions from employee. The monies are used to provide scholarships to graduating seniors of employees who will be continuing their education at a university, junior/community college, or a technical school.

7. **Encumbrance Accounting.** The City shall utilize encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

III. OPERATING BUDGET

A. BUDGET PROCESS.

1. **Proposed Budget.** Section 11.05 of the City Charter requires that the City Manager submit to the City Council a proposed budget at least 30 days prior to the end of the fiscal year that presents a complete financial plan for the ensuing year. Public hearings shall be held in the manner prescribed by the laws of the State of Texas relating to budgets in cities and towns. The Charter requires that no budget be adopted or appropriations made unless the total of estimated revenues, income and funds available shall be equal to or in excess of such budget or appropriations. Past practice has been to present a draft budget to City Council at least six weeks prior to fiscal year end.
 - a. The budget shall include four basic segments for review and evaluation: (1) personnel costs, (2) base budget (same level of service) for operations and maintenance costs, (3) decision packages for capital and other (non-capital) project costs, and (4) revenues.
 - b. The budget review process shall include City Council participation in the development of each of the four segments of the proposed budget.
 - c. The budget process will allow the opportunity for the City Council to address policy and fiscal issues.
 - d. A copy of the proposed budget shall be posted on the City's website when it is submitted to the City Council.
2. **Modified Incremental Approach.** The operating budget less prior year supplemental requests, shall serve as the starting point for budget estimates.
3. **Adoption.** Upon the presentation of a proposed budget document to the City Council, the City Council shall call and publicize a public hearing. The City Council shall subsequently adopt by Ordinance such budget, as it may have been amended, as the City's Annual Budget, effective for the fiscal year beginning October 1.

As required by Section 11.05 of the Charter, if the City Council takes no action to adopt a budget on or prior to September 27th, the budget as submitted by the City Manager, is deemed to have been finally adopted by the City Council.

4. **Government Finance Officers Association.** The annual budget shall be submitted to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Distinguished Budget Presentation Award.
 5. **Truth in Taxation.** Budget development procedures will be in conformance with State law, outlined in the Truth in Taxation process. In the event of a tax increase, at least two notices will be given and public hearings held.
- B. **PLANNING.** Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The budget planning process is for a five year period recognizing that budgets are influenced by decisions made in prior year budgets and that decisions made in the current year budgets serve a precursor to future budget requirements. The City shall recognize both short-term needs and objectives in relation to the long-term goals of the City.
- C. **PREPARATION.** The operating budget is the City's annual financial operating plan. The budget includes all of the operating departments of the City, the debt service fund, all capital projects funds, internal service funds, and all special revenue funds of the City. An annual budget shall be prepared for all funds of the City, with the exception that capital projects will be budgeted on a project length basis, rather than an annual basis.
1. **Basis of Budget.** Operating budgets are adopted on a basis consistent with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, with exceptions, including that depreciation is not included in the budget, capital purchases are budgeted in the year of purchase, unmatured interest on long-term debt is recognized when due, and debt principal is budgeted in the year it is to be paid.
 - a. Governmental Fund Types are budgeted on a modified accrual basis, with exceptions as noted above. Revenues are included in the budget in the year they are expected to become measurable and available. Expenditures are included in the budget when they are measurable, a liability is incurred, and the liability will be liquidated with resources included in the budget.
 - b. Capital project budgets are project length budgets and are budgeted on a modified accrual basis.
 - c. Proprietary fund types are budgeted generally on an accrual basis with exceptions as noted above. Revenues are budgeted in the year they are expected to be earned and expenses are budgeted in the year the liability is expected to be incurred. The emphasis is on cash transactions in lieu of non-cash transactions, such as depreciation. The focus is on the net change in working capital.
 2. **Legal Level of Control.** The budget shall be adopted at the "legal level of control," which is, by Division, within individual funds. The level at which management, without prior council approval, loses the ability to reapply budgeted resources from one use to another is known as the budgets' "legal level of control." The City has a number of levels of detail in the operating budgets - the fund, the department, the division, the object and the line item.

Example:

Fund - General Fund
 Department - Public Safety
 Division - Police
 Object - Salaries, Other Pay and Benefits
 Line Item - Regular Salaries

In the above example, the legal level of control is the budget total for the Police Division. Department Heads may not exceed budget allocations at the object code level in controllable account without City Manager approval.

3. **Identify Available Funds.** The budget shall be sufficiently detailed to identify all available funds. The format will include estimated beginning funds, sources of funds, uses of funds, and estimated remaining funds at budget year-end. An actual prior year, estimated current year and proposed budget shall be presented.
 4. **Interfund Transfers/Charges.** A summary showing transfers and charges between funds will be provided during the budget process to explain the "double counting" of revenues and expenditures.
 5. **Periodic Reports.** In compliance with Section 11.02(e) of the Charter, the City will maintain a budgetary control system to ensure adherence to the budget and will prepare periodic reports comparing actual revenues, expenditures and encumbrances with budgeted amounts.
 6. **Self Sufficient Enterprise Funds.** Enterprise operations, Utility Fund, Solid Waste, are intended to be self-sufficient.
 7. **Administrative Cost Reimbursement.** Enterprise fund budgets shall include a reimbursement to the General Fund to pay a proportionate share of administrative costs. Documentation to support the transfer shall be presented to City Council during the budget process.
 8. **Charges to Other Funds by Internal Service Funds.** Charges by internal service funds to user divisions and funds shall be documented as part of the budget process.
 9. **Appropriations Lapse.** Pursuant with Section 11.06 of the Charter, annual appropriations lapse at year end. Items purchased through the formal purchase order system (i.e., the encumbered portions), and not received by fiscal year end, are presented to City Council for re-appropriation in the subsequent fiscal year. To be eligible for automatic re-appropriation in a subsequent year, the goods or services must have been ordered in good faith and appropriated in the year encumbered.. The original budget is amended to include the re-appropriations. Capital projects budgets do not lapse at year-end.
 10. **Performance Indicators and Productivity Indicators.** The annual budget, where possible, will utilize performance measures and productivity indicators.
- D. **BALANCED BUDGET.** The budget shall be balanced using a combination of current revenues and available funds. Current year operating expenses shall be funded with

current year generated revenues. No budget shall be adopted unless the total of estimated revenues, income, and funds available is equal to or in excess of such budget.

- E. REPORTING. Periodic financial reports shall be prepared to enable the Department Heads to manage their budgets and to enable monitoring and control of the budget.
- F. CONTROL. Operating Expenditure Control is addressed in Section V of these Policies.
- G. CONTINGENT APPROPRIATION. The General Fund, Utility Fund, and Solid Waste Fund may have an adequate contingent appropriation. This contingent appropriation, titled "Reserve for Future Allocation", shall be disbursed only by transfer to another departmental appropriation. Transfers from this item shall be controlled as outlined in Section VI, D of these policies.
- H. EMPLOYEE BENEFITS. The City budget process shall include a review of employee benefits.
 - 1. Medical Insurance Fund - The Finance Committee shall review rates to be charged for employee and dependent coverage.
 - 2. Retirement Plan - The City is a member of the Texas Municipal Retirement System (TMRS). Employees working at least 1,000 hours per year shall contribute 7% to the TMRS plan. The City's match will be established according to TMRS rates for the benefit levels elected by the City. Any budgeted funds not spent can be deposited with TMRS to reduce the City's unfunded liability with Council's approval or will revert back to the unallocated monies in the appropriate fund.
 - 3. Workers Compensation Insurance - The City shall participate in the Texas Municipal League (TML) Workers Compensation Risk Pool. Rates for required coverage will be established by the Pool, adjusted for experience on an annual basis. Refunds that may be granted through the pool will be prorated between the City funds. Unspent monies will revert back to the appropriate fund.
 - 4. Social Security/Medicare - The City does not pay Social Security for employees. Medicare is paid for employees hired after March 31, 1986 or for those employees otherwise having access through the City.
 - 5. Recommendations for adjustments to the pay and classification system will be made annually in order to maintain external parity and internal equity. Recommendations will be built into the proposed basic budget.

IV. RESERVES/UNALLOCATED FUNDS

- A. OPERATING RESERVES/FUND BALANCES. The City shall maintain unallocated reserves in operating funds to pay expenditures caused by unforeseen emergencies or for shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. Generally, unallocated reserves for all operating funds excluding, Internal Service Funds, Capital Projects, and Special Revenue Funds shall be maintained at a minimum amount of 25% of the annual budget (less transfers to capital projects) for each fund unless specifically identified in this section. Unallocated reserves shall not be

used to support on-going operating expenditures. This reserve is defined as unreserved current assets less inventory and on-going receivables (ex. utility billing, sales tax) minus current liabilities payable from these assets.

B. FUND BALANCES USED FOR CAPITAL EXPENDITURES. Reserves shall be used for one time capital expenditures only if:

1. there are surplus balances remaining after all reserve and fund allocations are made; or
2. the City has made a rational analysis with justifying evidence that it has an adequate level of short and long-term resources.

C. SPECIFIC APPROPRIATION BY CITY COUNCIL. If fund balances are used to support one time capital and onetime non-operating expenditures, the funds must be specifically appropriated by the City Council.

D. CITY MANAGER'S AUTHORITY TO ASSIGN FUND BALANCE/UNALLOCATED RESERVES.

At times, the City may be in various planning stages of projects. Each project will undoubtedly have its own funding considerations and challenges. As a means of planning for projects and ensuring (when necessary and appropriate) the availability of Unallocated Reserves to pay for projects, the City Manager is hereby authorized to place certain Unallocated Reserves in each of the City's funds in "Assigned" status. The definition of the term Assigned is as follows: Assigned Unallocated Reserves includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed (as defined by GASB 54). When Unallocated Reserves are placed in the "Assigned" status, they are to be noted and reduced as part of the balance of Unallocated Reserves as calculated in the Fiscal and Budgetary Policies , Section IV, A. The City Manager may assign Unallocated Reserves under the following circumstances if the amount exceeds \$50,000:

1. Matching funds for grants applied for with approval from the City Council.
2. When the City Manager is presented with documentation illustrating an adopted Capital Improvement Project is expected to be in excess of budgeted funds.
3. When the City Manager has documented reason to believe that claims will exceed budgeted revenues in the City's Medical Insurance Fund.
4. When the City is engaged in litigation for which there is not expected to be third party insurance coverage.
5. For Economic Development Incentive Agreements and/or Developers Agreements approved by Council.
6. When the City Manager has documented reason to believe an amendment to the budget will be necessary for which Unallocated Reserves will be the most likely source of funds.
7. When the Council has approved a project and directed staff to proceed and the next sequential step in the project (feasibility study, programming, rate study,

conceptual design, full design or construction) has not yet been identified for funding.

The City Manager and/or his designee shall update the Assigned Unallocated Reserve three times annually as follows:

1. As soon as practical after the Council has adopted the Budget.
2. As soon as practical after the Comprehensive Annual Financial Report is complete.
3. In conjunction with the annual budget adoption.

The updates described above will be reviewed, discussed and adopted by the Council Finance Committee.

- E. SPECIAL REVENUE FUNDS. Monies in the Special Revenue Funds shall be expended for their intended purposes, in accordance with an approved budget. There is no reserve requirement.
- F. CAPITAL PROJECT FUNDS. Monies in the Capital Projects Funds shall be expended in accordance with an approved budget. There is no reserve requirement.
- G. INTERNAL SERVICE FUNDS. Working capital in equipment replacement funds will vary to meet annual fluctuations in expenditures. Monies in the Internal Service Funds shall be expended for their intended purpose in conformance with the approved budget and approved replacement schedules. Additions to the Fleet or additional computer equipment will not be funded from replacement funds without council approval.
- H. GENERAL OBLIGATION DEBT SERVICE FUND AND INTEREST ACCOUNTS. Reserves in the General Obligation Debt Service Fund and Utility Fund's Interest and Sinking accounts shall be maintained as required by outstanding bond indentures. Reduction of reserves for debt shall be done only with City Council approval after the Council has conferred with the City's financial advisor to ensure there is no violation of bond covenants.
- I. DEBT COVERAGE RATIOS. Debt Coverage Ratios shall be maintained as specified by the bond covenants.
- J. MEDICAL INSURANCE FUND RESERVE. A reserve shall be established in the City's Health Insurance Fund to avoid potential shortages. The reserve amount shall be 6 months of budgeted claims for Medical and Dental claims. Such reserve shall be used for no purpose other than for financing losses under the insurance program.
- K. The City shall contract for an actuarial review once every two years related to its OPEB liability for retiree medical insurance benefit, in accordance with Government Accounting Standard Board pronouncements.

V. REVENUE MANAGEMENT

- A. CHARACTERISTICS OF THE REVENUE SYSTEM. The City strives for the following optimum characteristics in its revenue system:

1. **Simplicity and Certainty.** The City shall strive to keep the revenue classification system simple to promote understanding of the revenue sources. The City shall describe its revenue sources and enact consistent collection policies to provide assurances that the revenues are collected according to budgets and plans.
 2. **Equity.** The City shall make every effort to maintain equity in its revenue system structure. The City shall minimize all forms of subsidization between entities, funds, services, utilities, and customers.
 3. **Realistic and Conservative Estimates.** Revenues are to be estimated realistically. Revenues of volatile nature shall be budgeted conservatively.
 4. **Centralized Reporting.** Receipts will be submitted daily to the Finance Department for deposit and investment. Daily transaction reports and supporting documentation will be prepared.
 5. **Review of Fees and Charges.** The City shall review all fees and charges annually in order to match fees and charges with the cost of providing that service.
 6. **Aggressive Collection Policy.** The City shall follow an aggressive policy of collecting revenues. Utility services will be discontinued (i.e. turned off) for non-payment in accordance with established policies and ordinances. The attorney responsible for delinquent tax collection, through the central collection agency, shall be encouraged to collect delinquent property taxes using an established tax suit policy and sale of real and personal property to satisfy non-payment of property taxes. A warrant officer will aggressively pursue outstanding warrants, and the Court will use a collection agency to pursue delinquent fines.
- B. **NON-RECURRING REVENUES.** One-time or non-recurring revenues will not be used to finance current ongoing operations. Non-recurring revenues will be used only for one-time expenditures such as capital needs.
- C. **PROPERTY TAX REVENUES.** All real and business personal property located within the City shall be valued at 100% of the fair market value based on the appraisal supplied by the Walker County Appraisal District. Reappraisal and reassessment is as provided by the Appraisal District. Property tax rates shall be maintained at a rate adequate to fund an acceptable service level. Based upon taxable values, rates may be adjusted to fund this service level. Collection services shall be contracted out with a central collection agency, currently the Walker County Appraisal District.
- D. **INTEREST INCOME.** Interest earned from investment of available monies, whether pooled or not, shall be distributed to the funds in accordance with the equity balance of the fund from which monies were invested.
- E. **USER-BASED FEES AND SERVICE CHARGES.** For services associated with a user fee or charge, the direct and indirect costs of that service shall be offset wholly or partially by a fee where possible. There shall be an annual review of fees and charges to ensure that the fees provide adequate coverage of costs of services. Full fee support for operations and debt service costs shall be required in the Proprietary Funds. Partial fee support shall be generated by charges for miscellaneous licenses and fines, sports programs, and from other parks, recreational, cultural activities, and youth programs.

- F. **UTILITY RATES.** The City shall review and adopt utility rates annually that generate revenues required to cover operating expenditures, meet the legal requirements of applicable bond covenants, and provide for an adequate level of working capital.
- G. **COST REIMBURSEMENTS TO THE GENERAL FUND.** The General Fund shall be reimbursed by other funds for a proportionate share of administrative costs. Documentation to support the transfer shall be presented to City Council as part of the budget process.
- H. **INTERGOVERNMENTAL REVENUES/GRANTS/SPECIAL REVENUES.** Grant revenues and other special revenues shall be spent for the purpose(s) intended. The City shall review grant match requirements and include in the budget all grant revenues and expenditures.
- I. **REVENUE MONITORING.** Revenues actually received are to be regularly compared to budgeted revenues.
- J. **REVENUE PROJECTIONS.** Each existing and potential revenue source shall be re-examined annually.

VI. EXPENDITURE CONTROL

- A. **APPROPRIATIONS.** The responsibility for budgetary control lies with the Department Head. Department Heads may not approve expenditures that exceed monies available at the object code level. Capital expenditures are approved by the City Council on a per project basis.
- B. **AMENDMENTS TO THE BUDGET.** In accordance with the City Charter, the City Council may transfer any unencumbered appropriated balance or portion thereof from any office, department, or agency to another at any time.
- C. **CITY MANAGER'S AUTHORITY TO AMEND BUDGET.**
 - 1. **Reserve for Future Allocation.** The City Manager may authorize transfers of \$50,000 or less from the budgeted Reserve for Future Allocation. For authorizations of \$25,000 or less, the City Manager will report the use of Reserve for Future Allocation as an informational item. For authorizations between \$25,001 and \$50,000, the City Manager shall provide written notice to the Council of his/her intent to authorize a transfer of Reserve for Future Allocation in excess of \$25,000 (but not more than \$50,000), and allow seven (7) business days to pass without a request by a Councilmember to place the proposed expenditure on a City Council meeting agenda for full City Council consideration.
 - 2. **Transfer Between Line Items.** The City Manager may, without prior City Council approval, authorize transfers between budget line items within a Fund with the exception that:
 - a) Transfers from Salary and Benefit accounts shall stay within the Salary and Benefits account classification/object code.

- b) Savings from City Council approved capital purchases may not be spent for other than their intended purpose;
- c) Additions to the Fleet and additional computer equipment may not be purchased from equipment replacement funds
3. **Capital Project Budgets.** The City Manager shall have the authority to transfer amounts between line items of a capital project budget and to transfer monies from a project's Contingency Reserve to fund change orders on the project. The City Manager, without prior Council approval, may approve a change order to a construction or engineering contract in an amount not to exceed \$50,000, as long as the cumulative total of all change orders to the project do not exceed the State allowed maximum of 25% of the original contract price.
- D. **PURCHASING.** All purchases shall be made in accordance with the Purchasing Policy. The Purchasing department will process all solicitations before posting. Sealed solicitations must be solicited for purchases that meet, exceed or are anticipated to exceed \$100,000. All purchases exceeding \$100,000 in any one fiscal year from any one vendor whether a single purchase or sequential purchases require city council approval. The following shows a summary of approved purchasing threshold requirements.

APPROVAL REQUIREMENTS FOR PURCHASES

Dollar Figure	Supervisor Or Director Designee	Department Director	Purchasing Agent	City Manager	City Council
Less than \$5,000	✓				
\$5,000 to less than \$25,000 (Quotation Form and Purchase Order)	✓	✓	✓		
\$25,000 to less than \$100,000 (Purchase Order)	✓	✓	✓	✓	
\$100,000 or more		✓	✓	✓	✓

✓ Denotes signature approval

- E. **CONTRACTS.** The City Manager, or Mayor as authorized by Council, shall be the signature authority on contracts above \$25,000 pursuant to the approval requirement for purchases as outlines after review by the City Attorney and Finance Director.
- F. **DISPOSITION OF SURPLUS PROPERTY.** The City shall dispose of surplus, obsolete, damaged, or unusable property in accordance with applicable provisions of the applicable state and federal laws, the City Charter, and City policies. All property disposals shall be

authorized, documented, and conducted in a manner that ensures transparency, accountability, fair market value when required, and responsible stewardship of public assets. Disposal methods, including transfer, trade-in, public sale, auction, recycling, donation when authorized, or destruction, shall comply with applicable provisions of the Texas Local Government Code and established City financial and asset management procedures.

- G. **LOCAL VENDORS.** To support the local economy while maintaining fair and competitive procurement practices, in accordance with the Texas Local Government Code. A responsible local vendor may be awarded a contract when its solicitation submission is within the maximum percentage of up to 10 percent above the lowest responsive solicitation submitted by a non-local vendor, provided doing so is determined to be in the City's best interest and all statutory requirements are satisfied.
- H. **TRAVEL.** The City employee travel related reimbursements shall comply with the City's Travel Policy, applicable current U.S. General Services Administration (GSA) rates, and approved budgetary requirements. Reimbursement is limited to authorized, necessary, and reasonable business expenses, supported by required documentation and submitted within established deadlines. Employees are expected to utilize the most economical mode of travel available, and all travel expenditures, including transportation, lodging, meals, and mileage, shall be reimbursed in accordance with the provisions and limitations established in the City's Travel Policy.
- I. **CHANGE ORDERS.** Change orders may be used to increase or decrease the quantity of work, materials, or supplies under an awarded competitive bid solicitation, subject to applicable provisions of Texas Local Government Code 252.048. Changes generally may not increase or decrease the original contract price by more than 25%; decreases exceeding 25% require contractor approval, while increases beyond 25% require separate procurement for the additional work or materials. Change orders must be approved by the City Council or properly delegated authority in accordance with applicable statutory and City requirements, and all change orders shall be documented and executed in writing.
- J. **PROMPT PAYMENT.** All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt, in accordance with the provisions of state law. Proper procedures shall be established that enables the City to take advantage of all purchase discounts, except in the instance where payments can be reasonably and legally delayed in order to maximize the City's investable cash.

VII. CAPITAL IMPROVEMENTS PROGRAM AND THE CAPITAL BUDGET.

- A. **PROGRAM PLANNING.** The City shall develop and maintain a multi-year plan for capital improvements and make capital improvements in accordance with the approved plan. The Capital Improvements Program will be updated annually. The Capital Improvements Program (CIP) is a planning document and does not authorize or fund projects. The planning time frame for the capital improvements program will normally be five to ten years.
- B. **BUDGET PREPARATION.** The capital budget shall evolve from the Capital Improvements Program. Capital project expenditures must be appropriated in the capital budget. A funding source and resource availability shall be presented to the City Council

at the time a project is presented for funding. The City's Capital Budget is to be prepared annually in conjunction with the operating budget on a fiscal year basis to ensure that capital and operating needs are balanced against each other. Projects approved for funding from the Capital Improvements Program will be included in the Capital Budget.

- C. **PROJECT LENGTH BUDGET.** A budget for a capital project shall be a project length budget. At the end of the fiscal year, the unspent budget of an approved capital project shall automatically carry forward to the subsequent fiscal year until the project is completed. At project end, funds shall be available for project reallocation or returned to the originating fund.
- D. **BUDGET AMENDMENT.** All budget amendments shall be in accordance with State law. City Manager authority to amend the budget is identified in Section VI - D.
- E. **FINANCING PROGRAMS.** Alternative financing sources will be explored. The term of the debt issue may not exceed the expected useful life of the asset.
- F. **REPORTING.** Periodic financial reports shall be prepared to enable the Department Heads to manage their capital budgets and to enable the Finance Department to monitor, report, and provide information about the capital budget.
- G. **EVALUATION CRITERIA.** Capital investments shall foster goals of economic vitality, neighborhood vitality, infrastructure preservation, provide service to areas lacking service and improve services in areas with deficient services. Evaluation criteria for selecting which capital assets and projects to include for funding shall include the following:
 - mandatory projects
 - efficiency improvement
 - policy area projects
 - project's expected useful life
 - availability of state/federal grants
 - prior commitments
 - maintenance projects
 - project provides a new service
 - extent of usage
 - effect of project on operation and maintenance costs
 - elimination of hazards

VIII. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. **ACCOUNTING.** The Finance Director is responsible for establishing the Chart of Accounts and for recording financial transactions.
- B. **AUDITING.**
 - 1. **Qualifications of the Auditor.** Section 11.16 of the City's Charter requires the City to be audited annually by independent accountants ("auditor"). The CPA firm must demonstrate that it has staff to conduct the City's audit in accordance with generally accepted auditing standards and contractual requirements. The auditor must be licensed by the State of Texas.
 - 2. **Responsibility of Auditor to City Council and Finance Committee.** The auditor is retained by and is accountable to the City Council. The auditor shall communicate directly with the Finance Committee as necessary to fulfill its legal

and professional responsibilities. The auditor's report on the City's financial statements shall be completed within 120 days of the City's fiscal year end.

3. **Selection of Auditor.** The City shall request proposals for audit services at least once every three years. The City shall select the auditor by May 31, of each year. As required in Section 11.16 of the City Charter, the Auditor is appointed by the Mayor, with approval of the Council. The Certified Public Accountant shall have no personal interest, directly or indirectly, in the financial affairs of the City or any of its officers.
4. **Contract with Auditor.** The agreement between the independent auditor and the City shall be in form of a written contract. A time schedule for completion of the audit shall be included.
5. **Scope of Audit.** All general purpose statements, combining statements and individual fund and account group statements and schedules shall be subject to a full scope audit.
6. **Publication of Results of Audit.** As required by Section 11.16 of the City Charter, notice of the completion of the audit shall be published in a newspaper and copies placed in the office of the Director of Finance and the Huntsville Public Library. A copy will also be available in the office of the City Secretary.

C. FINANCIAL REPORTING.

1. **External Reporting.** As a part of the audit, the auditor shall assist with preparation of a written Annual Comprehensive Financial Report (ACFR) to be presented to the City Council. The ACFR shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall be presented annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting.
2. **Availability of Reports.** The annual comprehensive financial report shall be made available to the elected officials, bond rating agencies, creditors and citizens.
3. **Internal Reporting.** The Finance Department shall prepare internal financial reports, sufficient to plan, monitor, and control the City's financial affairs.

IX. INVESTMENTS AND CASH MANAGEMENT

- A. **DEPOSITORY BANK.** A Depository Bank shall be selected by the City Council for a five-year period, according to Local Government Code Chapter 105.017, and may be renewed in accordance with the Public Funds Investment Act. A request for proposal shall be used as the means of selecting a Depository Bank. The Depository Bank shall specifically outline safekeeping requirements.
- B. **DEPOSITING OF FUNDS.** The Finance Director shall promptly deposit all City funds with the Depository Bank in accordance with the provisions of the current Bank Depository Agreement and the City Council approved Investment Policies. Investments and reporting

shall strictly adhere to the City Council approved Investment Policies.

- C. INVESTMENT POLICY. All funds shall be invested in accordance with the approved investment policy. Investment of City funds emphasizes preservation of principal. Objectives are, in order, safety, liquidity and yield. A procedures manual shall be approved by the Finance Committee.

- D. MONTHLY REPORT. A monthly cash and investment report shall be prepared.

X. ASSET MANAGEMENT

- A. FIXED ASSETS AND INVENTORY. A fixed asset of the City is defined as a purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, infrastructure addition, or addition to existing land, buildings, etc. A fixed asset's cost or value is \$5,000 or more, with an expected useful life greater than one year. Improvements and infrastructure values are \$25,000 or more in cost with a useful life or extension of five years.

- B. MAINTENANCE OF PHYSICAL ASSETS. The City will maintain its physical assets at a level adequate to protect the City's capital investment and minimize future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of fixed assets.

- C. OPERATIONAL PROCEDURES MANUAL. Records shall be purged that do not meet the capitalization criteria and operational procedures shall be in accordance with a fixed asset records procedure manual.

- D. SAFEGUARDING OF ASSETS. The City's fixed assets will be reasonably safeguarded and properly accounted for. Responsibility for the safeguarding of the City's fixed assets lies with the Department Head in whose department the fixed asset is assigned.

- F. MAINTENANCE OF RECORDS. The Finance Department shall maintain the records of the City's fixed assets including description, cost, department of responsibility, date of acquisition and depreciation where applicable. Records of land and rights-of-way shall be maintained in the Planning & Development Department.

- G. ANNUAL INVENTORY. An annual inventory of assets shall be performed and accounted for by each department using guidelines established by the Finance Department. Such inventory shall be performed by the Department Head or the designated agent. The Department Head shall use a detailed listing and shall be responsible for a complete review of assigned fixed assets. A signed inventory list shall be returned to the Finance Department.

- G. INFRASTRUCTURE MAINTENANCE. The City recognizes that deferred maintenance increases future capital costs. Funds shall be included in the budget each year to maintain the quality of the City's infrastructure. Replacement schedules should be developed in

order to anticipate this inevitable ongoing and obsolescence of infrastructure.

- H. **SCHEDULED REPLACEMENT OF ASSETS.** As part of the ongoing replacement of assets, the City has established Equipment Replacement Funds. These funds charge the user funds, based on the estimated replacement cost and estimated life of the equipment. The City maintains fleet and computer replacement funds.

XI. DEBT MANAGEMENT

- A. **DEBT ISSUANCE.** The City shall issue debt when the use of debt is appropriate and specifically approved by the City Council and expenditure of such monies shall be in strict accordance with the designated purpose.
- B. **ISSUANCE OF LONG-TERM DEBT.** The issuance of long-term debt is limited to use for capital improvements or projects that cannot be financed from current revenues or resources and future citizens will receive a benefit from the improvement. Debt may be issued for the purposes of purchasing land or rights-of-way and/or improvements to land, street improvements, or construction projects to provide for the general good. For purposes of this policy, current resources are defined as that portion of fund balance in excess of the required reserves. The payback period of the debt will be limited to the estimated useful life of the capital projects or improvements.
- C. The City shall strive to schedule debt issues to take advantage of the small issuer status designation in regard to Federal Arbitrage laws.
- D. **PAYMENT OF DEBT.** When the City utilizes long-term debt financing it will ensure that the debt is financed soundly by realistically projecting the revenue sources that will be used to pay the debt; and financing the improvement over a period not greater than the useful life of the improvement.
- E. **TYPES OF DEBT.**
1. **General Obligation Bonds (G.O.'s).** General obligation bonds shall be used only to fund capital assets of the general government, and not used to fund operating needs of the City. General obligation bonds are backed by the full faith and credit of the City as well as the ad valorem tax authority of the City. The term of a bond issue shall not exceed the useful life of the asset(s) funded by the bond issue. General obligation bonds must be authorized by a vote of the citizens of the City of Huntsville.
 2. **Revenue Bonds (R.B.'s).** Revenue bonds shall be issued as determined by City Council to provide for the capital needs of any activities where the capital requirements are necessary for continuation or expansion of a service which produces revenue and for which the asset may reasonably be expected to provide for a revenue stream to fund the debt service requirements. The term of the obligation may not exceed the useful life of the asset(s) to be funded by the bond issue.
 3. **Certificates of Obligation (C.O.'s).** Certificates of obligation may be used in order to fund capital assets. Debt service for C.O.'s may be either from general revenues or backed by a specific revenue stream or streams or by a combination of both. C.O.'s may be used to fund capital assets where full bond issues are not warranted as a result of the cost of the asset(s) to be funded through the instrument. Infrastructure and

building needs may also be financed with Certificates of Obligation, after evaluation of financing alternatives by the City's Financial Advisor. The term of the obligation may not exceed the useful life of the asset(s) to be funded by the proceeds of the debt issue.

4. **Tax Anticipation Notes.** Tax Anticipation Notes may be used to fund capital assets of the general government or to fund operating needs of the City. Tax Anticipation Notes are backed by the full faith and credit of the City as well as the ad valorem tax authority of the City. The term of a note issue shall not exceed the useful life of the asset(s) funded by the debt issued or seven years whichever is less.
 5. **Capital Lease.** Capital leases may be used to fund capital assets with shorter lives (generally less than 10 years) for vehicles, equipment and software. The term shall not exceed the useful life of the assets.
- F. **METHOD OF SALE.** The City shall use a competitive bidding process in the sale of bonds and certificates of obligation unless some other method is specifically agreed to by City Council.
 - G. **FINANCIAL ADVISOR.** The Finance Committee will recommend to the City Council a financial advisor to oversee all aspects of any bond issue.
 - H. **ANALYSIS OF FINANCING ALTERNATIVES.** Staff will explore alternatives to the issuance of debt for capital acquisitions and construction projects. These alternatives will include, but not be limited to, 1) grants in aid, 2) use of reserves, 3) use of current revenues, 4) contributions from developers and others, 5) leases, and 6) impact fees.
 - I. **DISCLOSURE.** Full disclosure of operations shall be made to the bond rating agencies and other users of financial information. The City staff, with the assistance of financial advisors and bond counsel, shall prepare the necessary materials for presentation to the rating agencies, and shall aid in the production of Offering Statements.
 - J. **DEBT STRUCTURING.** The City will generally issue debt for a term not to exceed 20 years. The City will exceed a 20-year term only upon recommendation of the City's Financial Advisor and in no case shall the term of the debt issue exceed the life of the asset acquired. The repayment schedule shall approximate level debt service unless operational matters dictate otherwise or if market conditions indicate a potential savings could result from modifying the level payment stream. Consideration of market factors, including tax-exempt qualification, and minimum tax alternatives will be given during the structuring of long-term debt instruments.
 - K. **FEDERAL REQUIREMENTS.** The City will maintain procedures to comply with arbitrage rebate and other Federal requirements.
 - L. **BIDDING PARAMETERS.** The notice of the sale of bonds will be carefully constructed so as to ensure the best possible bid for the City, in light of the existing market conditions and other prevailing factors. Parameters to be examined include:
 - Limits between lowest and highest coupons
 - Coupon requirements relative to the yield curve
 - Method of underwriter compensation, discount or premium coupons
 - Use of bond insurance

- Call provisions

XII. INTERNAL CONTROLS

- A. **WRITTEN PROCEDURES.** Wherever possible, written procedures shall be established and maintained by the Finance Department for all functions involving cash handling and/or accounting throughout the City. These procedures shall embrace the general concepts of fiscal responsibility set forth in this policy statement.
- B. **DEPARTMENT HEAD RESPONSIBILITIES.** Each Department Head is responsible to ensure that good internal controls are followed throughout the Department, that all Finance Department directives or internal controls are implemented, and that all independent auditor internal control recommendations are addressed.
- C. **COMPUTER SYSTEM/DATA SECURITY.** The City shall provide security of its computer system and data files through physical security and appropriate backup procedures. A disaster recovery plan shall be developed by the Information Services Department. Computer systems shall be accessible only to authorized personnel.

XIII. RISK MANAGEMENT

- A. **RESPONSIBILITY.** A risk manager is responsible for the general risk liability insurance risk management function of the City. Recommendations for deductibles, limits of coverage, etc. shall be presented to the Finance Committee for review.
- B. **EMPLOYEE SAFETY.** The City will aggressively pursue opportunities to provide for employee safety. The goal will be to minimize the risk of loss, with an emphasis on regularly scheduled safety programs.
- C. **SELF INSURED HEALTH INSURANCE.** A detailed annual report shall be given to the Finance Committee that includes available funds, expected payouts in the plan, reinsurance costs and a rate recommendation. The presentation shall include a proposed budget for a period coinciding with the City's fiscal year.

XIV. ROLE OF THE FINANCE COMMITTEE OF CITY COUNCIL

The finance committee appointed by City Council upon recommendation of the Mayor shall have responsibilities including:

- A. Monitoring and recommending changes to the Investment Policy;
- B. Managing the audit;
- C. Review of liability insurance coverage's.
- D. Oversight of budget and finances

CITY OF HUNTSVILLE, TEXAS

INVESTMENT & BANKING POLICIES

10/1/2026

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CITY OF HUNTSVILLE INVESTMENT AND BANKING POLICIES

PART I - INVESTMENT POLICY

I. PURPOSE OF POLICY

The Public Funds Investment Act (PFIA), Chapter 2256, Texas Government Code prescribes that each city is to adopt rules governing its investment practices and to define the authority of the Investment Officer. This policy is adopted by the City Council to direct and limit the financial affairs of the City of Huntsville. It is the policy of the City of Huntsville to invest public funds in a manner which will provide the maximum security of principal invested at a reasonable market rate of return, with consideration of the City's risk constraints and cash flow needs. Receipt of a market rate of return will be secondary to the requirements for safety and liquidity. The City will comply with all state and local statutes, including the Texas Public Funds Investment Act.

II. SCOPE OF POLICY

This policy applies to all funds or financial resources available for investment by the City accounted for in the *City of Huntsville, Texas Annual Comprehensive Financial Report* and include the General Fund, General Obligation Debt Service Fund, Special Revenue Funds, Enterprise Funds, Permanent Funds, Internal Service Funds, the City's self-funded Health Insurance Fund, and will include any new fund created by the City Council unless specifically exempted by City Council. All monies may be pooled into one investment account, except for those monies accounted for in accounts as deemed necessary, or as stipulated by applicable laws, bond covenants or contracts. These policies do not, however, govern funds that are managed under separate investment programs such as retirement funds, pension funds, deferred compensation funds and certain private donations, that are maintained as required by federal and state law, other local policies, or donor stipulations.

III. DESIGNATION OF INVESTMENT OFFICERS

The authority to manage the City of Huntsville investment program is derived from State Statute, the City Charter, and these investment policies. Management responsibility for the investment program is hereby delegated to the Finance Director, designated as Investment Officer for the City of Huntsville, who shall establish written procedures for the operation of the investment program consistent with this investment policy and shall be responsible for the operation of the investment program consistent with this investment policy. The Director of Finance, under general supervision of the City Manager, shall direct the cash management program of the City. (See City Charter Art. XI). The City Manager and/or Director of Finance may deposit, withdraw, invest, transfer, and manage City funds. The Investment Officer shall report to the Finance Committee of City Council. The Finance Committee, appointed by the Mayor, shall be responsible for monitoring, reviewing and making recommendations regarding the City's investment program to the City Council.

The Director of Finance may authorize persons to engage in investment transactions and approve wire transfers used in the process of investing.

IV. INVESTMENT TRAINING

Not less than once in a two-year period that begins on the City's first day of the fiscal year the Finance Director shall receive not less than 10 hours of instruction relating to investment responsibilities. The Finance Director shall attend investment training that includes education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and general compliance with state law. Training must be received from an independent source, approved by the entity's governing body or investment committee, and taken within twelve months after taking office or assuming duties.

V. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment function shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Finance Committee of the City Council any material financial interest in financial institutions that conduct business with the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City of Huntsville, particularly with regard to the time of purchases and sales. Investment officers shall comply with Texas Government Code section 2256.005(I) relating to personal business relationships with a business organization offering to engage in an investment transaction with the City of Huntsville.

VI. OBJECTIVES

The objectives of the City's investment policies are, in order of priority: preservation and safety of principal, liquidity and yield/return on investments. The policy must be written, address investment diversification and the quality and capability of investment management. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

- A. *Preservation and safety of principal* shall be the foremost objective of the City's investment program. Preservation and safety of principal shall be obtained through protection of principal and safekeeping.
 - 1. The City shall control risk of loss due to the failure of a security issuer or guarantor. Such risk shall be controlled by investing in the safest types of securities, by qualifying the financial institution with whom the City will transact, and by portfolio diversification.
 - 2. The City shall also control risks of loss by requiring collateral for depository bank funds to be held by a financial institution separate from the depository bank.
- B. *Liquidity* shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets. A security may be liquidated to meet unanticipated cash requirements, to redeploy cash into other investments expected to outperform current holdings, or to otherwise adjust the City's portfolio.
- C. *Yield/Return on Investments.* The City of Huntsville investment portfolio is designed with the objective of attaining a rate of return throughout budgetary and economic cycles commensurate with the City of Huntsville investment risk constraints and the cash flow

characteristics of the portfolio. Investments, other than the overnight cash concentration account, shall be made in permitted obligations at yields equal to or greater than the bond equivalent yield on United States Treasury obligations of comparable maturity.

VII. MARKET YIELD (BENCHMARK)

The market yield benchmark shall be a yield equal to the bond equivalent yield on United States Treasury obligations of comparable maturity.

If selling a security prior to a fixed date maturity at a gain or loss, the investment officers shall notify the Finance Committee of City Council at its next meeting. The City shall monitor the market price of investments as of the end of each month through reports provided by brokers and/or the use of a purchased service or available software.

VIII. INVESTMENT STRATEGIES

The City of Huntsville shall generally invest funds with the intent to hold to maturity. Investment selection shall be based on legality, appropriateness, liquidity, and risk/return considerations. Monies designed for immediate expenditure should be passively invested to allow for liquidity to pay upcoming disbursements, (payroll, debt service payments, payables, etc.), and allow for structuring the investment portfolio on a “laddered” basis. The City of Huntsville maintains portfolios that utilize four specific investment strategies designed to address the unique characteristics of the fund groups represented in the portfolios:

- A. *Operating Funds* have as their primary objective the assurance that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure that will experience minimal volatility during economic cycles. The weighted average days to maturity of these funds shall be less than 365 days and shall be calculated using the stated final maturity date for each security.
- B. *Debt Service Funds* shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligations on the required payment date. Securities purchased shall not have a stated final maturity date that exceeds the debt service payment date.
- C. *Debt Service Reserve Funds* shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. In addition to the bond ordinance specific to an individual bond issue, which sets out investment parameters, securities shall have a maturity of less than five years. Investments shall be limited to obligations of the United States or its agencies and instrumentalities or in approved investment pools.
- D. *Special Projects* or *Special Purpose Fund* portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.

These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

IX. PRUDENCE/STANDARD OF CARE

Investments shall be made with the judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. In determining whether the City's investment officers have exercised prudence with respect to an investment decision, the determination shall be made taking into consideration, the investment of all funds, or funds under the City's control, over which they have responsibility rather than a consideration as to the prudence of a single investment, and whether the investment decision is consistent with this investment policy.

X. DIVERSIFICATION

The City of Huntsville will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio will be invested in a single security type or with a single financial institution. Diversification will also include terms of maturity as well as instrument type and issue. Investments shall not exceed more than 20% of the capitalization of the financial institution other than the main depository. Bond proceeds may be invested in a single security or investment which exceeds the City's diversification limits if the Investment Officer, with concurrence of the Finance Committee, determine that such an investment is necessary to comply with Federal arbitrage restriction or to facilitate arbitrage record keeping and calculation.

XI. MAXIMUM MATURITIES

In order to stabilize yield for budgeting purposes, the City shall maintain a portion of its investments in obligations with maturities greater than one year. No investment shall be made with a maturity greater than five years without express authority of the Finance Committee of the City Council. In determining the amount of investment longer than one year, cash flow and unallocated reserve funds will be evaluated. The maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio shall not exceed 2 years.

XII. PURCHASE PROCEDURES

The City may, without further bidding, utilize any program established through the Texas Inter-local Cooperation Act that invests in funds authorized by the Public Funds Investment Act; or purchase certificates of deposit or other approved securities through its primary depository bank.

When possible, other investments should be made after 3 competitive bids are solicited (excluding transactions with money market mutual funds, local government investment pools and when issued securities, which are deemed to be made at prevailing market rates.) Competitive bids may be solicited orally, in writing, electronically, or in any combination of these methods. An offer worksheet shall be kept for each bid transaction showing the name of dealer/bank contacted, amount of principal to be invested, yield quoted, type of investment, fund designation, maturity date, issue date, length of time invested, and cusip number. Purchase of a security shall not be made at a price that exceeds the existing market value of the security.

The delivery shall be made under normal and recognized practices in the securities and banking industries, including the book entry procedure of the Federal Reserve Bank. The deposit shall be held in the name of the City of Huntsville and shall be evidenced by a trust receipt of the bank with which the securities are deposited.

XIII. COLLATERALIZATION

The Public Funds Collateral Act requires the City to have complete collateralization of all investments and deposits at the depository banking institution. It will be required for all uninsured collected balances, plus accrued interest, if any, in excess of FDIC coverage. To anticipate market changes and provide a level of security for all funds, the collateralization level will be at least 102% of the market value of principal and accrued interest. The City chooses to limit collateral to obligations of the United States or its agencies and instrumentalities, and direct obligations of the State of Texas or its agencies and instrumentalities. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement.

XIV. SAFEKEEPING AND CUSTODY

All security transactions entered into by the City of Huntsville shall be conducted on a delivery vs. payment (DVP) basis, with the exception of investment pool funds and mutual funds, and delivered by either book entry or physical delivery. A Federal Reserve Member financial institution designated as the City's safekeeping and custodian bank shall hold these securities in a third-party safekeeping account. The City may designate more than one custodian bank. The City's custodial or safekeeping institution cannot be a counterpart (broker or dealer) to the purchase or sale of these securities.

The City shall execute a written Safekeeping Agreement with each bank prior to utilizing the custodian's safekeeping services. The Safekeeping Agreement must provide that the safekeeping bank will immediately record the receipt of purchased or pledged securities on its books and promptly issue and deliver a signed safekeeping receipt showing the receipt and the identification of the security as well as the City's interest.

- A) The Investment Officer or his designee shall maintain a list of designated custodian banks and a copy of the Safekeeping Agreement executed with each custodian bank.
- B) The Investment Officer must approve release of securities, in writing, prior to their removal from the custodian account. An electronic copy shall be sufficient if the custodian orally confirms receipt of the transmission and an exact copy of the document is retained at the City.
- C) All securities shall be confirmed in the name of the City of Huntsville and delivered to an approved custodial bank or carried at a Federal Reserve Bank in the name of the City of Huntsville. The custodian shall not otherwise deposit purchased or pledged securities. In addition, the custodian bank will furnish to the City a copy of the delivery advice received by the custodian bank from the Federal Reserve Bank.
- D) The correspondent or safekeeping bank shall issue a safekeeping receipt to the City evidencing securities are held in the City's name.
- E) The original safekeeping receipt for each transaction shall be forwarded to the Investment Officer or his designee.
- F) At least quarterly, the Investment Officer or their designee, shall verify that all securities owned by the City or pledged to the City are held in safekeeping in the City's custodial bank with proper documentation. At least annually, the City's Investment Program, including the records of custodians and depositories, shall be subject to a compliance audit of management controls on investments and adherence to these investment policies reviewed by an

independent Certified Public Accountant selected by the City Council.

XV. INTERNAL CONTROL/COMPLIANCE AUDIT

A system of internal controls shall be established. As part of the City's annual audit, an independent auditor shall review internal controls, investment practices, investment performance, quarterly reports prepared by the investment officers and the result of the review shall be reported to the Finance Committee of the City Council. A compliance audit of management control on investments and adherence to investment policies is to be included.

XVI. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The City Council shall approve at least three broker/dealers upon recommendation of the Finance Committee for use by the designated investment officers. The broker/dealers may include primary dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

The selection process shall include a proposal process with potential broker/dealers providing a completed broker/dealer questionnaire, certification of having read the City of Huntsville investment policy, proof of National Association of Security Dealers certification and proof of state registration. The selected broker/dealers must acknowledge in writing that the business organization has implemented reasonable procedures and control in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards. An investment officer may not buy any securities from a firm that has not filed this instrument.

An annual review of the financial condition and registrations of qualified bidders is to be conducted by the City Manager or Finance Director and a current audited financial statement is required to be on file for each broker/dealer that conducts transactions with the City. The Finance Committee shall review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

XVII. AUTHORIZED INVESTMENTS

The City of Huntsville may invest only in the safest type of securities and in accordance with Texas state law (Appendix I). There are two general categories of authorized investments for the City of Huntsville: (1) investments which the designated investment officers may invest without prior approval from the Finance Committee; and, (2) investments that require prior Finance Committee approval.

A. Authorized investments that do **not** require prior approval of Finance Committee:

1. Obligations of, or Guaranteed by, Governmental Entities:
 - a. obligations of the United States or its agencies and instrumentalities;
 - b. direct obligations of the State of Texas or its agencies and instrumentalities;
 - c. other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and [its] instrumentalities;
 - d. obligations of states, agencies, counties, cities, and other political

- subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- e. bonds issued, assumed, or guaranteed by the State of Israel; and
- f. interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor.

The following are **not** authorized investments under this section:

- a. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- b. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- c. *collateralized mortgage obligations* that have a stated final maturity date greater than 10 years; and
- d. *collateralized mortgage obligations* the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

2. Certificates of Deposit:

Certificates of deposit issued by state and national banks, a savings bank or credit union that are:

- a. guaranteed or insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, comparable insurance entities or their successors; or
- b. secured in any other manner and amount provided by law for deposits of the City.
- c. secured through an authorized broker in accordance with the Public Funds Investment Act (PFIA).

B. Authorized investments requiring prior approval of the Finance Committee:

1. Banker's Acceptances

A *bankers acceptance* is an authorized investment if the *banker's acceptance*: (a) has a stated maturity of 270 days or fewer from the date of its issuance; (b) will be, in accordance with its terms, liquidated in full at maturity; (c) is eligible for collateral for borrowing from a Federal Reserve Bank; and (d) is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

2. Commercial Paper

Commercial paper is an authorized investment if the *commercial paper* has a stated maturity of 270 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized

credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

3. Mutual Funds

- A. A *no-load money market mutual fund* is an authorized investment if:
- 1) the *mutual fund* is registered with and regulated by the Securities and Exchange Commission;
 - 2) provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and
 - 3) complies with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.)
- B. In addition to a *no-load money market mutual fund* permitted as an authorized investment in Subsection (a), a *no-load mutual fund* is an authorized investment under this subchapter if the *mutual fund*:
- 1) is registered with the Securities and Exchange Commission;
 - 2) has an average weighted maturity of less than two years; and
 - 3) either:
 - (a) has a duration of one year or more and is invested exclusively in obligations approved by this subchapter; or
 - (b) has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.
- C. The City is **not** authorized by this section to:
- 1) invest in the aggregate more than 80 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in *money market mutual funds* described in Subsection (a) or *mutual funds* described in Subsection (b), either separately or collectively;
 - 2) invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in *mutual funds* described in Subsection (b);
 - 3) invest any portion of bond proceeds, reserves and funds held for debt service, in *mutual funds* described in Subsection (b); or
 - 4) invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one *mutual fund* described in Subsection (a) or (b) in an amount that exceeds 10 percent of the total assets of the mutual fund.

C. Effect of Loss of Required Rating

An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not have the minimum rating. The City shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

XVIII. INVESTMENT POOLS

- A. The City may invest in eligible *investment pools* as defined by the Public Funds Investment Act, which meet criteria outlined in chapter Texas Government Code section 2256.016 and section 2256.019. The Council shall authorize participation in the pool by resolution or ordinance.
- B. The City must receive from the pool an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:
 - 1. a description of eligible investment securities;
 - 2. the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - 3. the maximum stated maturity date any investment security within the portfolio has;
 - 4. a written statement of investment policy and objectives;
 - 5. the size of the pool;
 - 6. the names of the members of the advisory board of the pool and the dates their terms expire;
 - 7. the custodian bank that will safe keep the pool's assets; a description of how the securities are safeguarded (including the settlement process) and how often the securities are priced;
 - 8. whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - 9. whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
 - 10. the name and address of the independent auditor of the pool and how often the program is audited;
 - 11. the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool including how often and what size deposits and withdrawals are allowed, and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool;~~and;~~
 - 12. the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios;
 - 13. a description of interest calculations and how it is distributed and how gains and losses are treated;
 - 14. a schedule for receiving statements and portfolio listings;
 - 15. an explanation of whether reserves, retained earnings, etc. are utilized by the pool;
 - 16. a fee schedule, including when and how it is assessed;

17. an explanation of whether the pool is eligible and/or will it accept bond proceeds.
- C. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an *investment pool* must furnish to the investment officer or other authorized representatives of the entity:
1. investment transaction confirmations; and
 2. a monthly report that contains, at a minimum, the following information:
 - a. the types and percentage breakdown of securities in which the pool is invested;
 - b. the current dollar-weighted average maturity, based on the stated maturity date, of the pool;
 - c. the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - d. the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - e. the size of the pool;
 - f. the number of participants in the pool;
 - g. the custodian bank that is safekeeping the assets of the pool;
 - h. a listing of daily transaction activity of the entity participating in the pool;
 - i. the yield and expense ratio of the pool;
 - j. the portfolio managers of the pool; and
 - k. any changes or addenda to the offering circular.
- D. The City by contract may delegate to an *investment pool* the authority to hold legal title as custodian of investments purchased with its local funds.
- E. "Yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.

XIX. REPORTING

Within 30 days of the end of each quarter the Finance Director shall prepare and submit to the City Council a written report of investment transactions for the preceding reporting period. The report must:

- 1) Describe in detail the investment position of the entity on the date of the report;
- 2) Be prepared and signed jointly by all investments officers of the entity;
- 3) Contain a summary statement of each pooled fund group that states the beginning and ending market values and fully accrued interest for the reporting period;
- 4) State the book and market values of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- 5) State the maturity date of each separately invested asset that has a maturity date;
- 6) State the account or fund or pooled group fund in the local government for which each individual investment was acquired; and

- 7) State the compliance of the investment portfolio of the local government as is relates to:
 - a. The investment strategy expressed in the agency's or local government's investment policy; and
 - b. Relevant provisions of PFIA Sec. 2256.023
- 8) If the City invests in investments other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, the reports prepared by the Investment Officer shall be reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor; and;
- 9) Compare to the benchmark bond equivalent yield or United States Treasury obligation of comparable maturity.

XX. POLICY ADOPTION

The City of Huntsville investment policy shall be adopted by ordinance of the City Council. The policy shall be reviewed annually by the Finance Committee, and any modifications made thereto must be approved by the City Council. Annually, City Council shall adopt a resolution or include in the budget ordinance information stating that it has reviewed the investment policy and investment strategies. The resolution/ordinance shall record any changes made to the investment policy or investment strategies.

PART II - BANKING SERVICES POLICY

I. ESTABLISHMENT OF BANKING DEPOSITORY

- A. The City Council shall select a bank, credit union or savings association as its primary depository for normal banking transactions. In addition, the City may designate one or more other depositories for investment transactions.
- B. The City's primary banking depository shall have a branch located in the City.
- C. Not more than four weeks and not less than one week before the City Council considers applications for its depository, the City shall publish at least once in the City's official newspaper a notice of the meeting at which applications are to be received.
- D. A bank, credit union or savings association desiring to be selected as the city depository must deliver its application to the City Secretary on or before the time stated in the notice. The application shall be accompanied by an affidavit disclosing conflicts of interest, if any, that apply to the selection of the depository. The City's Finance Committee may, as directed by City Council, review the applications and prepare a recommendation regarding the selection of depositories for Council.
- E. The City Council may, after considering the application and the recommendation, if any, of its staff and/or Finance Committee:
 1. select as city depositories one or more banks, credit unions or savings associations that offer the most favorable terms and conditions for the handling of the municipal funds; or
 2. reject any or all of the applications.

- F. The City shall retain the right to withdraw any municipal funds deposited in a depository that are not immediately required to pay obligations of the City and invest those funds as outlined in these **Investment and Banking Policies**.
- G. The Director of Finance shall immediately deposit in the depository to the credit of the City any money received.
- H. Except as provided for wire transfers to other depositories or ACH transfers, the funds of the City may be paid out of a depository only on the checks of the City.
- I. Checks must be signed by the Mayor and either the City Manager or Finance Director. A facsimile signature may be used by the Mayor and/or City Manager.
- J. Checks must be authorized by the Mayor, City Manager, or Finance Director.
- K. No check shall be drawn on a *special fund* created to pay bonded indebtedness other than to pay principal or interest on the indebtedness, or to invest the fund as provided by these policies or law.
- L. All checks shall be payable by the depository at its place of business.
- M. The Director of Finance may, with approval of Council, pay a bond, coupon, or other indebtedness of the City at a place other than the depository if by its terms the indebtedness is payable on maturity at the other location.

II. COLLATERALIZATION REQUIREMENTS/SAFEKEEPING AND CUSTODY

- A. All public funds held in a *checking* account or *time deposit* at a bank or other depository shall be secured by eligible security. An eligible security means:
 - 1. a surety bond;
 - 2. investment securities (obligations of the United States or its agencies and instrumentalities); or
 - 3. ownership or beneficial interest (but not merely an option contract to purchase or sell) any authorized investment.
- B. The market value of the *investment securities* used as collateral shall be at least 102% of the value equal to the deposits of public funds increased by the amount of any accrued interest and reduced by the extent of insurance through an agency of the United States.
- C. Safekeeping
 - 1. A depository for the City may deposit investment securities pledged to secure deposits of public funds with a custodian that the City has approved as a custodian and that is either:
 - a. A state or national bank domiciled in the State of Texas and which has a capital stock and permanent surplus of not less than \$5 million.
 - b. The Texas Treasury Safekeeping Trust Company; or
 - c. A Federal Reserve Bank or its branches.
 - 2. The securities shall be held in trust by the custodian to secure the deposit of

public funds of the City in the depository pledging the securities.

3. On receipt of the *investment securities*, the custodian shall immediately, by book entry or otherwise, identify on its books and records the pledge of the securities to the City and shall promptly issue and deliver to the Director of Finance of the City trust receipts for the securities pledged. The security evidenced by the trust receipts is subject to inspection by the City or its agents at any time.

4. A custodian holding in trust *investment securities* of a depository may deposit the pledged securities with a permitted institution. These securities shall be held by the permitted institution to secure funds deposited by the City in the depository pledging the securities. On receipt of the securities, the permitted institution shall immediately issue to the custodian an advice of transaction or other document evidencing the deposit of the securities. When the pledged securities held by a custodian are deposited, the permitted institution may apply book entry procedures to the securities. The records of the permitted institution shall at all times reflect the name of the custodian depositing the pledged securities. The trust receipts the custodian issues to the City shall indicate that the custodian has deposited with the permitted institution the pledged securities held in trust for the depository pledging the securities.

5. The custodian shall maintain separate, accurate, and complete records relating to the pledged investment securities and all transactions relating to the pledged investment securities.

- D. The Director of Finance shall inform its depositories of significant changes in the amount or activity of public funds reasonably in advance of such changes.

Part III —Investment Policy - City of Huntsville
Post-Employment Benefit Plan
(aka “City of Huntsville PEB Trust”)

Section 1 — INTRODUCTION

The City of Huntsville Post Employment Benefit Plan (the “Plan”), a retirement plan qualified under Internal Revenue Code Section 115, provides retirement benefits to eligible employees of City of Huntsville.

The assets of the Plan are held in a tax-exempt trust for the benefit of the Plans’ participants and beneficiaries. The objective of the Plan is to provide employees with a source of retirement income from accumulated contributions and investment returns.

The Pension Plan Finance Committee (the “Finance Committee”) is responsible for overseeing and monitoring the investment of the Plans’ assets. It will generally be responsible for:

- A. Promulgating the Plans’ Investment Policy Statement.
- B. Selecting the investment funds in which the Plans’ assets will be invested and/or the investment managers who will be responsible for investing the Plans’ assets.
- C. Reviewing and making changes in the investment funds and/or investment managers for compliance with the Investment Policy Statement.
- D. Making revisions to the Investment Policy Statement to reflect changing conditions within the Plans or the investment environment or to make it more effective.

The Finance Committee is authorized to retain professional investment advisory services to provide advice with respect to the investment and monitoring of the Plans’ assets under the guidance of the Finance Committee.

This Investment Policy Statement is intended to set forth the general policies that the Finance Committee will apply in selecting, monitoring and modifying the investments and/or investment managers for the Plans. While the Finance Committee intends for this Investment Policy Statement to assist the Finance Committee in satisfying its fiduciary duties and in making prudent investment decisions, no investment results or performance is, or can be, guaranteed; and no such guarantee is intended.

Section 2 — PURPOSE

This Investment Policy Statement contains guidelines regarding the investment of the assets held in trust for the Plan to assist the members of the Finance Committee in effectively selecting, monitoring and evaluating the investments and/or investment managers for the Plan.

The purposes of this Investment Policy Statement are to:

- A. Set forth the investment objectives, policies and guidelines, which the Finance Committee judges to be appropriate and prudent, in consideration of the needs of the Plan.
- B. Establish the criteria against which the investments and/or the investment management organizations selected by the Finance Committee are to be measured.
- C. Set forth the target asset mix for the investment of the Plans' assets.
- D. Serve as a review document to guide the Finance Committee's ongoing oversight of the investment of the Plans' assets.

Section 3 — INVESTMENT OBJECTIVES

It is the intention of the Finance Committee to build and maintain the Plans' trust through employer contributions that satisfy legal requirements and investment returns. The Finance Committee expects that the amount of investment income plus capital appreciation from the Plans' trust combined with contributions to the trust will exceed the amount of pension payments. Over shorter periods, the Finance Committee understands that at times investment income plus capital appreciation plus contributions to the trust may, in total, be less than the amount of pension payments.

Because of the long-term nature of the Plans' obligations, the Finance Committee's intent is to consider the following goals in managing the trust:

- A. Long-term (*i.e.*, five years and more) performance objectives;
- B. Maintenance of cash reserves sufficient to pay benefits under the Plan; and
- C. Achievement of the highest long-term rate of return practicable without taking excessive risk that could jeopardize the Plans' funding policy or subject the Plans' sponsors to undue funding volatility.

The specific investment performance objective is for the trust to achieve a rate of investment return over any five-year period that both:

- A. Meets or exceeds the Plans' actuarial interest rate assumption,
- B. Exceeds by 2% the rate of inflation (as measured by the Consumer Price Index for all Urban Consumers),
- C. Exceeds the return of the following custom market index: 0% cash, 38% S&P 500, 8% Russell 2000 index, 8% Russell Midcap index, 21% EAFE index, and 25% Barclays Capital Aggregate Bond index.

In carrying out the foregoing policy and objectives, the trust will be invested in accordance with the guidelines set forth in Section 4.

Section 4 — INVESTMENT GUIDELINES FOR ASSET MANAGEMENT

The assets of the Plans will be invested in a manner consistent with generally accepted standards of fiduciary responsibility. The Finance Committee will act with the care, skill, prudence and diligence under the prevailing circumstances that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Finance Committee will discharge its duties with respect to the investment of the trust solely in the interest of the participants and beneficiaries of the Plan.

The Finance Committee will select appropriate investment alternatives using the following criteria:

A. The Finance Committee may select investment managers from one or more of the following:

- 1) Mutual fund management companies;
- 2) Banks;
- 3) Registered investment advisory firms; and
- 4) Insurance companies.

B. Each investment manager must clearly articulate for the Finance Committee the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

C. Each investment manager must be able to provide for the Finance Committee historical quarterly performance numbers calculated on a time-weighted basis and reported net of all fees.

D. Each investment manager must provide for the Finance Committee volatility measurements so that an appropriate risk/return profile can be evaluated.

E. Each investment manager must be able to provide for the Finance Committee information on its history, key personnel, fee schedules and expenses, and current investment exposure.

F. A City of Huntsville designated Investment Officer may change the Target Allocation and ranges and shall report any change to the Finance Committee

The Finance Committee recognizes that the trust's long-term investment performance will be greatly affected by the mix of the asset classes in which it is invested; accordingly, because of the policy and objectives stated in Section 3, the trust's asset allocation will favor equity investments.

Specifically, the Finance Committee has identified the following asset classes to be appropriate for investment by the trust. In addition, the Finance Committee has

defined the following ranges to be used as parameters of investment percentages the Plans' assets:

	<i>RANGE</i>		
	<i>MINIMUM</i>	<i>MAXIMUM</i>	<i>TARGET</i>
Fixed Income Assets:	20%	30%	25%
Large cap	33%	43%	38%
Mid cap	3%	13%	8%
Small cap	3%	13%	8%
International	16%	26%	21%
Cash/Money Market Assets	0%	5%	0%
Total			100%

Managers that manage a separate account for the trust shall have full discretion over portfolio investment decisions, subject to the following guidelines and restrictions. To the extent that commingled or mutual fund vehicles are utilized, the investment policies of those vehicles are the operative documents established herein:

- A. Investment managers will be delegated full discretion to exercise all voting rights including, but not limited to, voting proxies.
- B. For purposes of the foregoing, real estate, and securities convertible to common stock shall be classified as equity assets; money held by an insurance company in its general account shall be classified as fixed income assets
- C. Each investment manager will diversify each asset class appropriately and will seek to moderate volatility and risk as is appropriate for the asset class. The investment manager will not invest in commodities, private placements, or letter stock. The investment manager will not engage in non-covered short sales or margin trading. Transactions consisting of the purchase or sale of futures or options contracts may be permitted to the extent that they are used to diversify or equitize the portfolio and not used as speculative investments. Speculative investment in these derivatives is not permitted without the previous written approval of the Finance Committee.

- D. The investment manager must ensure, to the extent practicable, that all equity transactions (whether agency or principal) are executed at competitive rates and all fixed income transactions are competitively bid and must explain in writing to the Finance Committee the reasons for any unusually high transaction costs.
- E. The investment manager, when practicable, will disclose to the Finance Committee any significant change in the investment manager's personnel, organization, ownership, or asset management policy or method.

Section 5 — PERFORMANCE EVALUATION

The investment performance of the individual investments and/or investment managers will be monitored quarterly and reviewed at least annually relative to the objectives and guidelines described herein. The investment performance evaluations may include performance analyses and comparisons with the appropriate indices and investment fund universes.

The Finance Committee does not expect to respond to short-term investment developments, recognizing that the accumulation of value for eventual retirement benefit payout is generally a long-term objective and that investment competence must be measured over a complete market cycle. The Finance Committee, nevertheless, may act on interim qualitative judgments. Qualitative factors which will be reviewed on an ongoing basis include any fundamental changes in a manager's investment philosophy, organizational structure, financial condition (including any significant changes in total assets under management), personnel and fee structure.

The Finance Committee has established as one of its investment fund and/or investment manager selection criteria that, as a general proposition, over a complete market cycle, each of the Plans' investment funds and/or investment managers should typically rank in the upper half of the universe of all active investment funds and/or active managers in the same asset class with similar investment objectives.

Performance Review

The investment options will be reviewed at least annually. Among other things, the performance review of the investment options may include the following:

- A. The measurement of investment returns.
- B. A comparison of investment returns to their appropriate benchmarks.
- C. A ranking of investment returns within their appropriate universes.
- D. The measurement of risk.
- E. An assessment of each investment's adherence to the stated policies and objectives.

Termination of Investment Options

Reasons for considering replacing an investment and/or investment manager may include, but are not limited to:

- A. Significant under-performance relative to the appropriate benchmark.
- B. Significant under-performance relative to the appropriate universe average.
- C. Significant change in risk (increase or decrease).
- D. Change or loss of key personnel, relative to the significance of the particular investment.

- E. Significant increase or decrease in assets under management.
- F. A change in business practices.
- G. A change in investment style or discipline.
- H. Failure to alert the Finance Committee to pertinent changes, lawsuits or regulatory violations.
- I. Investing in non-approved securities.
- J. Identification by the Finance Committee of a more suitable investment option.

Other Review

The Investment Policy Statement will be reviewed at least annually to determine the continued appropriateness of the Investment Policy Statement in achieving the stated purpose. However, it is not expected that the Investment Policy Statement will change frequently. In particular, short-term changes in the financial markets will not require adjustments to the Investment Policy Statement.

A review of the program concerning the diversity of options, the use of options, the growth of the program and any strategic planning concerning demographics will also be conducted periodically. The Finance Committee will receive a report on investment performance quarterly. Investment performance and results will be presented annually to the Council.

Section 6 — INVESTMENT MANAGER SELECTION

The assets of the Plan are invested under the supervision of the Finance Committee. The Finance Committee has chosen to select investment managers from the following asset classes. In addition, the Finance Committee has established an investment objective for each asset class and established appropriate benchmarks and universes to be used to evaluate the investment options.

The Finance Committee understands that the indexes selected have no fees associated with their returns and the universe average is net of the fees of the underlying funds. The investment options are not required to exceed their benchmarks and universes every quarter, but are used as a basis for judging the appropriateness of the investment option selected over a full market cycle.

The asset class, objective, benchmark and comparative universe are outlined in Attachment A.

Section 7 — DEFINITIONS

The following terms will have the following meanings:

Investment Manager

“Investment manager” means the asset manager or managers expressly authorized and empowered to cause its portion of the trust to be invested and reinvested in its sole discretion (but governed by the provisions of this Investment Policy Statement) within the asset class or classes for which it is employed to manage.

Investment Return

“Investment return” means investment income and realized and unrealized gains and losses, all net of investment fees and expenses.

Market Cycle

For purposes of this Investment Policy Statement a “market cycle” will be defined as a market peak-to-trough-to-peak (or a trough-to-peak-to-trough).

Rate of Return

“Rate of return” means the annual rate of investment return.

Investment Officer

“Investment Officer” refers to the council or charter designated officials with the responsibility of investing City funds. Investment officers are required to meet educational requirements under the Public funds Investment Act.

This Statement of Investment Policy approved by the City Council of the City of Huntsville.

Date: _____ Approved by: _____

Attachment A

A. Fixed Income Options

Asset Class	Objective	Benchmark	Universe
Cash/Cash Equivalents	The investment objective of the Cash Option is to provide capital preservation.	The 3-Month Treasury Bill is the benchmark.	N/A
Intermediate Bond	The investment objective of the Bond Option is to provide income with a minor focus on capital growth.	The Bloomberg Barclays Capital Aggregate Bond Index is the benchmark.	The Bond Option selected will be compared to a universe of Intermediate-Term Bond mutual funds.

B. High Yield Bond Fund

Asset Class	Objective	Benchmark	Universe
High Yield Bond	The investment objective of the High Yield Bond Fund is to seek high current income, assuming greater risks including: Credit Risk, Default Risk, Interest Rate Risk, Liquidity Risk, Economic Risk, and Company Risk.	The Bloomberg Barclays Capital High Yield Bond Index is the benchmark.	The High Yield Bond Option will be compared to a universe of High Yield Bond mutual funds.

C. Equity Options - Domestic

Asset Class	Objective	Benchmark	Universe
Large Capitalization Blend	The investment objective of the Stock Index option is to track the performance and risk of the Standard & Poor's 500 index.	The S&P 500 Index is the benchmark. The investment options will be compared to the return and the risk of the benchmark.	The investment option selected will be compared to a universe of Large Capitalization Blend mutual funds.
Large Capitalization Value Style	The investment objective of the Large Capitalization Value Option is to provide long-term growth of capital primarily using domestic large capitalization securities with a value oriented style of management.	The Russell 1000 Value Index is the benchmark. The investment option selected will be compared to the return and the risk of the benchmark.	The Large Capitalization Value Option will be compared to a universe of Large Capitalization Value mutual funds.
Large Capitalization Growth Style	The investment objective of the Large Capitalization Growth Option is to provide long-term growth of capital primarily using domestic large capitalization securities with a growth oriented style of management.	The Russell 1000 Growth Index is the benchmark. The investment option will be compared to the return and the risk of the benchmark, net of investment management fees.	The investment option selected will be compared to a universe of Large Capitalization Growth mutual funds, net of investment management fees.
Mid Capitalization Value Style	The investment objective of the Mid Capitalization Value Option is to provide long-term growth of capital primarily using domestic mid capitalization securities with a value-oriented style of management.	The Russell Mid-cap Value Index is the benchmark. The investment option will be compared to the return and the risk of the benchmark.	The investment option selected will be compared to a universe of Mid-capitalization Value mutual funds.
Mid Capitalization Blend Style	The investment objective of the Mid Capitalization Blend Option is to provide long-term growth of capital primarily using domestic mid capitalization securities with a blend of value and growth oriented styles of management.	The Russell Mid-cap Index is the benchmark. The investment option will be compared to the return and the risk of the benchmark.	The investment option selected will be compared to a universe of Mid Capitalization Blend mutual funds.
Mid Capitalization Growth Style	The investment objective of the Mid Capitalization Growth Option is to provide long-term growth of capital primarily using domestic mid capitalization securities with a growth-oriented style of management.	The Russell Mid-cap Growth Index is the benchmark. The investment option will be compared to the return and the risk of the benchmark.	The investment option selected will be compared to a universe of Mid Capitalization Growth mutual funds.
Small Capitalization Value Style	The investment objective of the Small Capitalization Value Option is to provide long-term growth of capital primarily using domestic small-cap securities with a value oriented style of management.	The Russell 2000 Value Stock Index is the benchmark. The investment option will be compared to the return and the risk of the benchmark.	The investment option selected will be compared to a universe of Small Capitalization Value mutual funds.
Small Capitalization Blend Style	The investment objective of the Small Capitalization Blend Option is to provide long-term growth of capital primarily using domestic small-cap securities with a blend of value and growth oriented styles of management.	The Russell 2000 Stock Index is the benchmark. The investment option will be compared to the return and the risk of the benchmark.	The investment option selected will be compared to a universe of Small Capitalization Blend mutual funds.
Small Capitalization Growth Style	The investment objective of the Small Capitalization Growth Option is to provide long-term growth of capital primarily using domestic small-cap securities with a growth oriented style of management.	The Russell 2000 Growth Stock Index is the benchmark. The investment option selected will be compared to the return and the risk of the benchmark.	The investment option will be compared to a universe of Small Capitalization Growth mutual funds.

D. Equity Options – Non U.S.

Asset Class	Objective	Benchmark	Universe
International Stock	The investment objective of the International Stock Option is to provide long-term growth of capital primarily using securities of companies located outside of the United States.	The Morgan Stanley/Capital International (MSCI) Europe, Australia and Far East (EAFE) Stock Index or the MSCI All Country World Index ex. US (ACWI ex US) will be the benchmark. The investment option will be compared to the return and the risk of the benchmark.	The investment option selected will be compared to a universe of International Stock mutual funds.
Emerging Markets Stock	The investment objective of the Emerging Markets Stock Option is to provide long-term growth of capital primarily using securities of companies located in emerging countries.	The Morgan Stanley/Capital International (MSCI) Emerging Markets Stock Index is the benchmark. The investment option will be compared to the return and the risk of the benchmark.	The investment option selected will be compared to a universe of Emerging Market Stock mutual funds.

GLOSSARY

ACH: Automated Clearing House.

AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BOND PROCEEDS: Proceeds from the sale of bonds, notes, and other obligations issued by an entity, and reserves and funds maintained by an entity for debt service purposes.

BOOK VALUE: The original acquisition cost of an investment plus or minus the accrued amortization or accretion.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMOs): Debt obligations collateralized by pools of mortgages. The collateral can consist of conventional whole loans or agency-backed securities such as GNMA's, FNMA's or FHLMC's. The monthly cash flow generated from the pool is transformed into a series of securities with differing average lives and maturities. CMOs are issued by investment banks, commercial banks, the FNMA and the FHLMC. The issuer takes a higher yielding

security and carves it up into different classes with lower interest rates and shorter maturities.

COMMERCIAL PAPER: Commercial Paper consists of short-term note issues by large corporations. Maturity is 270 days or less. There is no explicit coupon rate and interest is figured on a discount basis in the same manner as for Treasury Bills.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Huntsville. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

CUSIP NUMBER: A unique nine-digit identification number permanently assigned by the Committee on Uniform Securities Identification Procedures to each publicly traded security at the time of issuance. If the security is in physical form, the CUSIP number is printed on its face.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g. S & Ls, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits.

FEDERAL FARM CREDIT BANKS (FFCB): The Federal Farm Credit Banks Consolidated Systemwide Bonds are obligations of the 37 Farm Credit Banks. The Farm Credit Administration which is an independent agency of the U.S. Government supervises the Farm Credit System.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Bank vis-a-vis member commercial banks.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC): The Federal Home Loan Mortgage Corporation, also known as Freddie Mac, is an agency of the Federal Government. The Participation Certificates (PC) issued by Freddie Mac are full faith and credit obligations of an agency of the U.S. Government.

In that all loans purchased by Freddie Mac are either FHA/VA mortgages originated by members of the Federal Home Loan Bank System or other HUD-approved mortgages.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA OR FANNIE MAE): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation=s purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA=s securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FINANCIAL INSTITUTIONS: As used in these policies also refers to Security Broker/Dealers doing business with the City.

FUNDS: Public funds in the custody of a local government that the investing entity has authority to invest.

GOVERNMENT NATIONAL MORTGAGE

ASSOCIATION (GNMA OR GINNIE MAE):

Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

INVESTMENT POOL: An entity created under this code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are (a) preservation and safety of principal; (b) liquidity; and (c) yield.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which

securities are traded that have one year or less until their maturity.

MONEY MARKET MUTUAL FUNDS: A mutual fund with investments that mature within one year.

MUTUAL FUNDS: A type of investment company that pools investments from participants to purchase a portfolio and give to investors fractional ownership of the created portfolio. A mutual fund redeems investors' shares at the net asset value of the shares.

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD): A trade association that helps regulate the performance of the over-the-counter securities market.

NET ASSET VALUE (PER SHARE): The value of the securities underlying one share in the investment company.

NO-LOAD MONEY MARKET MUTUAL FUND: A mutual fund that imposes no initial sales charges or fees.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and

Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

QUALIFIED REPRESENTATIVE: A person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following: (A) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers; (B) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution; or (C) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

RATING AGENCY: A nationally recognized investment rating firm including Moody's and

Standard & Poor's that assigns a rating to a debt issue.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves. State Statute defines repurchase agreement as a simultaneous agreement to buy, hold for a specific time, and sell back at a future date obligations described in State Statute Section 2256.009 a (1) (obligations of the United States or its agencies and instrumentalities) at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse repurchase agreement.

REVERSE REPURCHASE AGREEMENT: See Repurchase Agreement.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE

COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEPARATELY INVESTED ASSET: An account or fund of a state agency or local government that is not invested in a pooled fund group.

STATE AGENCY: An office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD or YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Broker/Dealer List – October 2025

Hilltop Securities
700 Milam St. Suite 1200
Houston TX 77002

FHN
920 Memorial City Way, 11th Floor
Houston, TX 77024

Wells Fargo Securities, LLC
1445 Ross Ave., Suite 210
Dallas, TX 75202

UBS Financial Services, Inc.
10001 Woodloch Forest Drive, Suite 100
The Woodlands, TX 77380

Stifel
100 Motor Parkway, 2nd Floor
Happauge, NY 11788

Duncan Williams
11458 W. Travelers Way Circle
Houston, TX 77065

Cullen Asher, LLC
325 N St. Paul St., 31st Floor
Dallas, TX 75201

Multi-Bank Securities, Inc.
2400 E. Commercial, Suite 812
Ft. Lauderdale, FL 33308

Vining Sparks, IBG, LP
2107 Elliot Ave, Ste. 208
Seattle, WA 98121

Schedule of Fees and Charges		FY 2027 Changes
All Municipal Services		
Processing Fee on all debit/credit card transactions	2.5%	
City Secretary		
Alcohol Beverages Licenses and Permits (City Fee Only)	Variable: Refer to Texas Administrative Code	No longer collecting
Copies of Public Information	Variable dependent on document or material type, as set by the Texas Administrative Code, plus an additional 25%.	
Development Services		
Certificate of Compliances		
City Limits	\$45	
ETJ	\$45	
Flood Plain	\$65	
Manufactured Home (Placement)	\$75	
Minor Plats (includes amending & replats)	\$250	
Preliminary Plat	\$350	
Final Plats (includes amending & replats)	\$350	
Filing Fees	Actual Cost	
District Map Amendment	\$350	
Request for Compliance/Zoning Verification Letters	\$60 each plus any copy expenses	
Environmental Assessment Report	\$125	
Variance/Appeal request	\$350	
Conditional Use Permit	\$350	
Subdivision Modification/Waiver	\$350	
Permit Cancellation Fee	\$50	
Vacant Building Fee - Commercial	\$5,000	
Vacant Building Fee - Residential	\$1,000	
Street Name Change	\$350	
Right Of Way Abandonment Administrative Fee	\$450	
Building Permits (Residential)		
New Residential/Addition	0 - 500 Sq. Ft / \$0.85 per Sq. Ft (Minimum \$50.00)	
	501 - 1000 Sq. Ft / \$0.8 per Sq. Ft	
	1001 - 2000 Sq. Ft / \$0.75 per Sq. Ft	
	Over 2000 Sq. Ft / \$0.65 per Sq. Ft	
Residential Renovation & Accessory	\$65 for the first 250 sq. ft. / lineal ft. + \$0.35 per each additional sq. ft./ lineal ft. over 250 sq. ft./ lineal ft.	
Foundation Repair	\$125	
Residential All Other	\$65.00 per required inspection	
Plan Checking Fee		
Less than \$10,000 valuation	No Fee	
\$10,000 valuation or more	One-half of building permit fee	
<i>Note: For commercial projects over \$100,000, Plan Check Fee payable upon application submittal for Plan review/check</i>		
Building Permits (Commercial)		
Based on Valuation		
Less than \$1,000	\$65 inspection fee	
\$1,001 to \$50,000	\$65 for first \$1,000 + \$7 per each additional \$1,000	
\$50,001 to \$100,000	\$280 for the first \$50,000 + \$6 per each additional \$1,000	
\$100,001 to \$500,000	\$480 for the first \$100,000 + \$5 per each additional \$1,000	
Over \$500,001	\$1,680 for the first \$500,000 + \$4 per each additional \$1,000	

Schedule of Fees and Charges			FY 2027 Changes
Commercial Change of Tenant/Revised Certificate of Occupancy		\$65	
Temporary Certificate of Occupancy Fee		\$250.00 per request	
Electrical Permits - Residential			
	Fee for issuing each permit	Residential dwelling & accessory permit fees: (This includes but may not be limited to single family attached, single family detached, duplex's, manufactured housing, additions and accessory structures. Based on the square footage of construction.)	
Finished Square Feet			
	Less than 1,000 square feet	\$70	
	1,000 square feet or greater.	\$70.00 for the first 1,000 square feet + \$7.00 per 100 square feet or fraction thereof in excess of 1,000 square feet.	
Electrical Permits - Commercial & Residential Repairs			
All other fees:			
		(Fees shall be computed on the "total valuation of work", the dollar value of labor and materials (total cost to the customer).	
	\$70	\$70	
Valuation Of Work			
		\$70	
	Over \$2,000.00 to \$50,000.00	\$70.00 for the first \$2,000.00 plus \$6.00 for each additional \$1,000.00, or fraction thereof	
	Over \$2,000.00 to \$50,000.00	\$290.00 for the first \$50,000.00 plus \$5.00 for each additional \$1,000.00, or fraction thereof	
	Over \$50,000.00 to \$500,000.00	\$290.00 for the first \$50,000.00 plus \$4.00 for each additional \$1,000.00, or fraction thereof	
	Over \$500,000.00	\$2,090.00 for the first \$500,000.00 plus \$4.00 for each additional \$1,000.00, or fraction thereof	
Fire Standpipe/Line & Sprinkler Permits			
	Fee for issuing each permit	\$70	
	1 to 5 sprinkler heads	\$10	
	Over 5 sprinkler heads	\$1.00 each	
	Fire Line/Standpipe	\$100 each	
Fire Alarm Permits		Based on Valuation	
	Less than \$1,000	\$65 Inspection fee	
	\$1,001 to \$50,000	\$65 for the first \$1,000 + \$6 per each additional \$1,000	
	\$50,001 to \$100,000	\$280 for the first \$50,000 + \$5 per each additional \$1,000	
	\$100,001 to \$500,000	\$480 for the first \$100,000 + \$4 per each additional \$1,000	
	\$500,001 and over	\$1,680 for the first \$500,000 + \$3 per each additional \$1,000	
Fire Suppression System Permits			
	Less than \$1,000	\$65 Inspection fee	
	\$1,001 to \$50,000	\$65 for the first \$1,000 + \$6 per each additional \$1,000	
	\$50,001 to \$100,000	\$280 for the first \$50,000 + \$5 per each additional \$1,000	
	\$100,001 to \$500,000	\$480 for the first \$100,000 + \$4 per each additional \$1,000	
	\$500,001 and over	\$1,680 for the first \$500,000 + \$3 per each additional \$1,000	
Fuel Dispensing/Storage Permits			
	Less than \$1,000	\$65 fee	
	\$1,001 to \$50,000	\$65 for the first \$1,000 + \$6 per each additional \$1,000	
	\$50,001 to \$100,000	\$280 for the first \$50,000 + \$5 per each additional \$1,000	
	\$100,001 to \$500,000	\$480 for the first \$100,000 + \$4 per each additional \$1,000	
	\$500,001 and over	\$1,680 for the first \$500,000 + \$3 per each additional \$1,000	
Grading and Excavation Plan Checking Fee			
	Less than 5,000 cubic yards	No Fee	
	5,000 to 10,000 cubic yards	\$20	
	10,001 to 100,000 cubic yards	\$20 for first 10,000 CY + \$10 per each additional 10,000 CY	
	100,001 to 200,000 cubic yards	\$110 for first 100,000 CY + \$6 per each additional 10,000 CY	
	Over 200,001 cubic yards	\$170 for first 200,000 CY + \$3 per each additional 10,000 CY	

Schedule of Fees and Charges		FY 2027 Changes
Grading and Excavation Permits		
Less than 50 cubic yards	\$10	
51 to 100 cubic yards	\$15	
101 to 1,000 cubic yards	\$15 for first 100 CY + \$7 per each additional 100 CY	
1,001 to 10,000 cubic yards	\$78 for first 1,000 CY + \$6 per each additional 1,000 CY	
10,001 to 100,000 cubic yards	\$132 for first 1,000 CY + \$27 per each additional 1,000 CY	
Over 100,001 cubic yards	\$375 for first 10,000 CY + \$15 per each additional 1,000 CY	
Irrigation Permits		
Fee for issuing each permit	\$65	
Commercial project fee	\$70	
1 to 5 sprinkler heads	\$5	
Over 5 sprinkler heads	\$30 each	
Backflow Prevention Devices		
1 to 5	\$3.00	
Over 5	\$2.00 each	
Manufactured/Mobile Home Permits		
Electrical	\$65	
Placement	\$75	
Plumbing	\$65	
Plumbing Connection with Gas	\$67	
Mechanical	\$65	
Plumbing Permits - Residential		
Residential dwelling & accessory permit fees:	(This includes but may not be limited to single family attached, single family detached, duplex's, manufactured housing, additions and accessory structures. Based on the square footage of construction.)	
Finished Square Feet		
Less than 1,000 square feet	\$75	
1,000 square feet or greater.	\$75.00 for the first 1,000 square feet + \$7.00 per 100 square feet or fraction thereof in excess of 1,000 square feet.	
Plumbing Permits - Commercial & Residential Repairs		
Commercial project fee	\$70	
Valuation Of Work		
Not more than \$2,000.00	\$70	
Over \$2,000.00 to \$50,000.00	\$70.00 for the first \$2,000.00 plus \$6.00 for each additional \$1,000.00, or fraction thereof	
Over \$50,000.00 to \$500,000.00	\$290.00 for the first \$50,000.00 plus \$5.00 for each additional \$1,000.00, or fraction thereof	
Over \$500,000.00	\$2,090.00 for the first \$500,000.00 plus \$4.00 for each additional \$1,000.00, or fraction thereof	
Mechanical Permits - Residential		
Commercial project fee	\$60	
Residential dwelling & accessory permit fees:	(This includes but may not be limited to single family attached, single family detached, duplex's, manufactured housing, additions and accessory structures. Based on the square footage of construction.)	
Finished Square Feet		
Less than 1,000 square feet	\$75	
1,000 square feet or greater.	\$75.00 for the first 1,000 square feet + \$5.00 per 100 square feet or fraction thereof in excess of 1,000 square feet.	
All other fees:		
(Fees shall be computed on the "total valuation of work", the dollar value of labor and materials (total cost to the customer).)		
Mechanical Permits - Commercial & Residential Repairs		
Commercial project fee	\$70	
Valuation Of Work		
Not more than \$2,000.00	\$75	
Over \$2,000.00 to \$50,000.00	\$75.00 for the first \$2,000.00 plus \$6.00 for each additional \$1,000.00, or fraction thereof	
Over \$50,000.00 to \$500,000.00	\$290.00 for the first \$50,000.00 plus \$5.00 for each additional \$1,000.00, or fraction thereof	
Over \$500,000.00	\$2,090.00 for the first \$500,000.00 plus \$4.00 for each additional \$1,000.00, or fraction thereof	
After Hours Inspection Fee - 4 hr. Minimum	\$65/hr (\$260 Minimum)	
Re-Inspection Fee	\$75	

Schedule of Fees and Charges		FY 2027 Changes
Work performed without a permit	Equal to twice the cost of the permit	
Sign Permits	25¢/sq. ft. (minimum \$5) + \$10/linear ft. of sign height + \$25/permit	
Temporary Sign Permits -Non Profits Only	\$25	
PID Application Fee	\$50,000	
Extra Territorial Jurisdiction Dis-Annexation Application		
Application Fee	\$500	
Utility Permits		
Water Tap	See Other Utility-Related Fee Section	
Sewer Tap	See Other Utility-Related Fee Section	
Fire Line Tap	See Other Utility-Related Fee Section	
Other Permits		
On Site Sewage Facility	\$200	
Moving	\$100	
Demolition	\$100	
Driveway Approach	\$65	
Vendor/Peddler Permits	\$50 - valid 90 days in 1 location (separate permit required for each location)	
Contractor Registration Fees		
General Contractor - Residential & Commercial	\$75	
Plumbing - All License Types	No Fee	
Electrical - All License Types	No Fee	
Fire-Suppression System Installers	\$75	
Irrigator	\$75	
Backflow Tester	\$75	
Swimming Pool/Spa Annual Permits	\$100	
Late Permit Fee (if permit not obtained by May 15th expiration)	\$200	
Food Service Establishment Annual Health Permits	Based on # of employees	
1-3 Employees	\$175	
4+ employees	\$275	
Late Permit Fee (if permit not obtained by Dec 31st expiration)	Equal half the cost of permit fee	
Food Service Establishments Pre-Opening Fee	\$75	
Food Service Establishments Re-Inspection Fee	\$300	\$ 200.00
Itinerant Restaurant Permits (1-3 days)	\$35 per Event	
Non-Profit Organizations, Annual Health Permits	\$75	
Mobile Food Units Annual Health Permits	\$250	
Late Permit Fee	Equal half the cost of permit fee	
Daycare Facilities Annual Health Permits	\$175	
Late Permit Fee	Equal half the cost of permit fee	
Culverts/Driveways Installations by City	Actual Cost	
Mobile Food Vendor Permit - Annual	\$200 (Separate permit required for each location)	
Mobile Food Vendor Permit - Temporary	\$75 (Valid 90 days - separate permit required for each location)	
Shared Mobility Device Permits	\$200 Application Fee + \$3.00 per Shareable Mobility Device	
Engineering Services		
Public Improvement and Private Development Project Review Fees		
Application Fee	\$420.00	
Per Sheet Review Fee	\$485.00 per sheet / page	
Drainage Plan Review Fee	\$5,225.00	
Traffic Plan Review Fee	\$5,225.00	
Utility Capacity Assessment Fee	\$4,500.00	
GIS/MicroStation Map		
Letter size (8.5" x 11")	\$1.20	
Legal size (8.5" x 14")	\$1.20	
Tabloid size (11" x 17")	\$2.40	
Small (18" x 23")	\$6.00	
Medium (24" up to 35")	\$9.60	
Large (greater than 35")	\$12.00	
Map/Plat/Plan Copy/Deed, etc. Fees (copies of existing documents)		
Letter size (8.5" x 11")	\$0.12	
Legal size (8.5" x 14")	\$0.12	
Tabloid size (11" x 17")	\$0.25	
Small (18" up to 23")	\$4	
Medium (24" up to 35")	\$5	
Large (36" & greater)	\$6	

Schedule of Fees and Charges			FY 2027 Changes
Recreation Services			
Softball/Baseball Field			
Youth Leagues	\$5 per person		
Adult Leagues	\$10 per person		
Day Rental, Private Use (Josey Park field included)	\$25 per hour		
Field Prep	\$25 - one time at start		
Security Deposit	\$50		
Lights	\$25 per hour of field usage		
Tournaments	City Residents: \$100 plus hourly Rate		
	Walker County Residents: \$125 plus hourly rate		
	Non-Residents: \$150 plus hourly rate		
Batting Cage	\$25 per hour		\$25 per hour
Soccer/Football Fields			
Youth Leagues	\$5 per person		
Adult Leagues	\$10 per person		
Field Rental, Private Use	\$25 per hour		
Field prep	\$ 50 - one time at start		
Security Deposit	\$50		
Lights	\$25 per night		
Tournaments	City Residents: \$100 plus hourly Rate		
	Walker County Residents: \$125 plus hourly rate		
	Non-Residents: \$150 plus hourly rate		
Basketball/Volleyball Court			Add Volleyball
Day Rental, Private Use	\$25 per hour		
Youth Leagues	\$5 per person		
Adult Leagues	\$10 per person		
Tournaments	City Residents: \$100 plus hourly Rate		
	Walker County Residents: \$125 plus hourly rate		
	Non-Residents: \$150 plus hourly rate		
Martin Luther King, Jr Center			
Rental Fee	City Residents: \$100 first hour / \$25 each additional hour		
	Walker County Residents: \$125 first hour / \$25 each additional hour		
	Non-Residents: \$150 first hour / \$50 each additional hour		
Security Deposit	\$200		
Audio/Visual Deposit	\$50		
Audio/Visual Fee	\$25		
Park Rental			
Pavilion Permit -Emancipation Park	\$50 per hour		
Stage at Rather Park /Jane Monday Amphitheater	\$50 per hour		Add Jane Monday
Gazebo Permit - Kate Barr Ross Park	\$25 per hour		
Pavilion/Stage/Gazebo Deposit	\$100		Changed wording
Cancellation (6-15 Business Days Prior)	1/2 of Deposit returned		
Cancellation (Within 5 Business Days)	No Deposit returned		
Event Permit	City Residents: \$100 first hour / \$50 each additional hour		
	Walker County Residents: \$125 first hour / \$50 each additional hour		
	Non-Residents: \$150 first hour / \$50 each additional hour		
Event Permit Security Deposit	\$200		
Zumba Admission			
Per Class per Person	\$2		
Program Fees			Additional Line Item: Costs Vary
Aquatic Center			
Admission			
Adults Age 12 and Up	\$4.00		
Children Age 3 to 11	\$2.50		
Children Age 2 or less	No Charge		
Day Care Fees	\$2.50 per child		
Season Pass			
Adults Age 12 and Up	\$50		
Children Age 3 to 11	\$40		
Family	\$100 for first four members + \$20 per each additional member		
Swimming Lessons			\$45 per course
Water Aerobics			\$75 annually/\$25 quarterly
Lap Swimming Fees			
Session 1 - September, October and November	\$25		
Session 2 - December, January and February	\$25		
Session 3 - March, April and May	\$25		
Sessions 1, 2 and 3	\$60		
Pool Rental- Private			\$100.00 per hour (maximum 2 hours)
Program Fees			Varies

Schedule of Fees and Charges			FY 2027 Changes
Cemetery Operations			
Cemetery Space			
Plot		\$1,000	
Filing Fee		Actual Cost	
Landscape Repair Fee after Exhumations		\$250	
Library Services			
Fines - Daily			
Fines - Over due			
Books		10c	
Magazines		10c	
DVDs		\$1	
Audiobook		\$1	
Music		10c	
Maximums		\$10	
Interlibrary Loans (daily fine)		\$1	
Interlibrary Loans Maximums		\$30	
Board Games		\$1	
Copies & Prints			
Black and white		15c per page	
Color		75c per page	
Sales (donated items)			
Audio Book		\$1	
Music CD		\$1	
Video		\$1	
Hardback Book		\$1	
Paperback Book		25c each	
Children's Hardback Book		50c each	
Children's Paperback Book		25c each	
Walker Co. stories CDs		\$5	
Lost or Damaged Materials			
Library Card		\$1	
Lost Materials		Replacement cost plus \$10 processing fee	
Barcode		\$1	
Security Patch		\$1	
Book Jacket		\$1	
Spine Label		\$1	
DVD Case		\$1	
Audio Book Case		\$5	
Board Games (Replaceable Part)		\$1	
Board Games (Non replaceable part)		Greater of \$10 or half of the cost of the item	
Board Game (total replacement)		Replacement cost plus \$10 processing fee	
Room Rentals - Payment due at booking			
Deposit for all groups -Refundable if the room is left in good order		\$150	
After-hours surcharge (all groups hourly)		\$30 Additional expense for holding an event outside business hours.	
Audio/Visual equipment (per event)		\$20	
Community Room or Board Room			
For-profit groups outside Walker County		\$150 for 1st hour, \$50 each subsequent hour	
For-profit groups within Walker County		\$100 for 1st hour, \$50 each subsequent hour	
Other groups or individuals outside Walker County		\$25 per hour	
Other groups or individuals within Walker County		\$25	
Walker County non-profit		No Charge	
Outside Walker County non-profits		\$25	
Outside Walker County - parties, receptions, etc.		\$50	
After-hours Surcharge (applicable to all groups)		additional \$30 per hour	
Deposit		\$150	

Schedule of Fees and Charges Tourism & Cultural Services		FY 2027 Changes
Tours		
Historical Driving Tour	\$3 per person - \$30.00 minimum	
Rental of Wynne Home (includes Kitchen)		
Brown Wynne Gallery		
Non-Profit	\$45 per hour - 2 hr. minimum	
Private	\$50 per hour - 2 hr. minimum	
Meeting Room (includes Kitchen)		
Non-Profit	\$35 per hour - 2 hr. minimum	
Private	\$40 per hour - 2 hr. minimum	
Non-Profit	\$250 up to 4 hours/\$40 for each subsequent hour (up to 8 total hours)	
Private	\$350 up to 4 hours/\$50 for each subsequent hour (up to 8 total hours)	
Porch and Grounds		
Non-Profit	\$45 per hour - 2 hr. minimum	
Private	\$50 per hour - 2 hr. minimum	
Kitchen Rental - Outdoor events		
Non-Profit	\$35 per hour - 2 hr. minimum	
Private	\$40 per hour - 2 hr. minimum	
Security Deposits due upon booking	Add due upon booking - 25% of fee	
Security Fee (Refundable)		
40+ persons and outside regular business hours	\$150	
Wynne Home		
Monday - Friday		
First Floor Access (Entryway, Gallery, Small Gallery, Dining Room, Kitchen, Porch, Grounds)	\$100 for 1st hour + \$50 each subsequent hour	\$100 for 1st hour + \$50 each subsequent hour
Dining Room & Kitchen Only	\$50 per hour - 2 hr minimum	\$50 per hour - 2 hr minimum
Outdoor Access Only (Porch and Grounds)	\$50 per hour - 2 hr minimum	\$50 per hour - 2 hr minimum
Kitchen Add On w/ Outdoor Access	\$25 per hour - 2 hr minimum	\$25 per hour - 2 hr minimum
Security Deposit (Refundable) - due upon booking	\$150	\$150
Saturday - Sunday		
Full Access (First Floor Access & Outdoor Access)	\$350/day up to 4 hours	\$350/day up to 4 hours
Security Deposit (Refundable) - due upon booking	\$150	\$150
Rental of Audio Visual		
Projector and screen	\$25	
William Hodges Education Building		
Meeting Room		
Rental Fee	\$100 for 1st hour + \$50 each subsequent hour	
Security Deposit - due upon booking	\$150	
Use of Audio/Visual Equipment	\$20 per rental	
Stand with Sam Brick Pavers		
4 x 8 paver	\$100	
5 x 8 paver	\$250	
6 x 12 paver	\$500	
12 x 12 paver	\$1,000	
16 x 16 paver	\$5,000	
Event Fees	Varies	
Big Sam's Honor Club	\$35	
Film Friendly Texas		
Total or disruptive use (regular operating hours) of a City of Huntsville building, park, or public area that is not subject to set rental fees.	\$500 per day	
Partial, non-disruptive use of a City of Huntsville building, or park facility	\$250 per day	
Total closure or obstruction of public street or right-of-way, including parking lots and on-street parking. Applicants must submit an events permit request to the Huntsville Police Department	\$50 per block or lot, per day	
Partial closure or obstruction of public street or right-of-way, including parking lots and on-street parking	\$25 per block, per day	
Use of City parking lots, parking areas, and City streets (for the purpose of parking film trailers, buses, catering trucks, and other large vehicles)	\$50 per block or lot, per day	

Schedule of Fees and Charges		FY 2027 Changes
Public Safety		
Sexually Oriented Business Permits		
Original Application	\$400	
Renewal Application	\$200	
Wrecker Permits		
	\$100/yr. Per holder -2 Yr permit + \$120/yr. per tow truck-2 Yr permit	
Wrecker Driver Permits		
	\$12.50 per driver per year, payable for a two-year period	
Taxi/Chauffer		
	\$100/yr. per taxi	
Accident Report		
	\$6 \$11 online (\$5 provider fee)	
Fingerprinting Fee		
	\$10 per person	
Posted Hourly Parking Fee -		
	\$1.00 per hr. / Max \$5.00	
Residential Alarm Fees		
0-3 False Alarms	No Charge	
4-5 False Alarms	\$25 each	
6-8 False Alarms	\$50 each	
Over 8 False Alarms	\$100 each	
Commercial Alarm Fees		
0-3 False Alarms	No Charge	
4-5 False Alarms	\$50 each	
6-8 False Alarms	\$75 each	
Over 8 False Alarms	\$100 each	
Alarm Fees		
Initial permit	\$10 residential/\$30 commercial	
Alarm Co. Failure to Provide Accurate Info	\$25	
Permittee Fail to Respond to Alarm Location w/in 30 mins at Request of Police	\$50	
Failure to Notify of Address Changes, etc.	\$50	
Reinstatement Fee	\$100	
Appeal Fee	\$25	
Animals and Fowl		
Annual Registration Fee for Dogs Deemed as Dangerous by Animal Control Authority	\$50	
Replacement of lost Dangerous Dog ID Tag	\$10	
Tow Truck Companies		
	Fee Allowed to be Charged by Tow Truck Company *Not Collected by City*	
All Police Directed Tows	\$200	
Notification	\$50	
Preservation	\$20	
Copies of Open Records		
	Variable dependent on document or material type, as set by the Texas Administrative Code, plus an additional 25%.	
Huntsville Animal Control Facility		
	Fee Allowed to be Charged by Animal Shelter - *Not Collected by City*	
Adoption Fee		
	\$85	
Owner Surrender		
	\$50	
Quarantine Fee		
	\$35	
Boarding Fee (per night)	\$15	
Return to Owner Fees		
Impound Fee	\$35	
Boarding Fee (per night)	\$15	
Microchip		
	\$25	
Vaccines:		
Dog:	\$10 Each	
DAPPV	\$10 Each	
Bordetella	\$10 Each	
Cat:		
FVRCP	\$10 Each	
Cat/Dog:		
Rabies	\$10 Each	

Schedule of Fees and Charges			FY 2027 Changes
Flea Prevention:			
Cat/Dog: Activyl			
0-50 lbs.	\$10		
51-100 lbs.	\$15		
101 and up	\$20		
Bravecto	\$50		
FIV/FELV Test	\$25		
Heartworm Test	\$25		
Nail Trim	\$5		
Deworming:			
Cat/Dog:			
Under 50 lbs.	\$5		
Over 50 lbs.	\$10		
Heartworm Prevention-Iverhart			
Heartworm Test (Mandatory)	\$25		
6-12 lbs.	\$7/dose of \$25 box (6 doses)		
12.1-25 lbs.	\$7/dose of \$30 box (6 doses)		
25.1-50 lbs.	\$7/dose of \$35 box (6 doses)		
50.1-100lbs	\$7/dose of \$40 box (6 doses)		
Sterilization:			
Dog:			
Female (spay)	\$100		
With government assistance	\$80		
Male (neuter) under 50 lbs.	\$60		
Over 50 lbs.	\$80		
Pain Medicine - Pills	\$5		
Cat:			
Female (spay)	\$60		
Male (neuter)	\$40		
Pain Medicine - Shot	\$10		
E-Collar:			
Recommended for both Cat and Dog	\$10		
Extra fees that may occur are:			
In Heat	\$35		
Term spay	\$45		
Cryptorchidism	\$45-\$65 (determined by a Vet)		
CapStar	\$8		
Fire Department Cost Recovery - (Non-County Residents)			
Motor Vehicle Incidents			
Level 1- Basic Incident with hazardous materials assessment and scene stabilization	\$494		
Level 2- includes level 1 plus clean-up of fluids	\$562		
Level 3- Vehicle Fire	\$687		
Add-ons:			
Extrication	\$1,483		
Landing Zone	\$454		
Hazmat			
Level 1- Basic response:			
Engine response, first responder assignment, perimeter establishment, evacuations, set-up and command	\$796		
Level 2- Intermediate Response:			
Level 1 plus Hazmat team and equipment, Level A or B suit donning, breathing air, detection equipment, and decon	\$2,842		
Level 3- Advanced Response:			
Level 1 and 2 plus recovery and identification of materials, disposal and environmental clean-up.	\$6,707		
Special Rescues -High Angle, Water Rescues, other Specialized Rescue			
Itemized billing:			
Per hour per response vehicle +	\$455		
Per hour per rescue person	\$57		
For incidents that require extended time on scene response will be itemized			
Engine	\$455 per hour		
Truck	\$568 per hour		
Miscellaneous Equipment	\$341 per hour		
CPR class Fee (non City Employee)	\$30		

Schedule of Fees and Charges			FY 2027 Changes
Water Services 			
Single Family Residential			
First 3,000 gallons			
	.75 inch meter	\$17.54 per month	\$ 19.64
	1 inch meter	\$25.65 per month	\$ 28.73
	1.5 inch meter	\$33.75 per month	\$ 37.80
	2 inch meter	\$56.02 per month	\$ 62.74
	3 inch meter	\$220.03 per month	\$ 246.43
	4 inch meter	\$280.78 per month	\$ 314.47
	6 inch meter	\$422.52 per month	\$ 473.22
	8 inch meter	\$584.51 per month	\$ 654.65
	10 inch meter	\$812.66 per month	\$ 910.18
Between 3,000 and 7,000 gallons			\$ 8.27
Between 7,001 and 13,000 gallons			\$ 9.09
Over 13,000 gallons			\$ 10.33
Jointly Metered Residential/Multi-Family			
First 3,000 gallons			
	.75 inch meter	\$17.54 per month	\$ 19.64
	1 inch meter	\$25.65 per month	\$ 28.73
	1.5 inch meter	\$33.75 per month	\$ 37.80
	2 inch meter	\$56.02 per month	\$ 62.74
	3 inch meter	\$220.03 per month	\$ 246.43
	4 inch meter	\$280.78 per month	\$ 314.47
	6 inch meter	\$422.52 per month	\$ 473.22
	8 inch meter	\$584.51 per month	\$ 654.65
	10 inch meter	\$812.66 per month	\$ 910.18
<u>Jointly Metered Residential</u>			
Between 3,000 and 7,000 gallons			\$ 8.27
Over 7,001 gallons			\$ 9.09
<u>Multi-Family</u>			
Over 3,000 gallons			\$ 10.33
Commercial Metered			
First 3,000 gallons			
	.75 inch meter	\$20.25 per month	\$ 22.68
	1 inch meter	\$28.35 per month	\$ 31.75
	1.5 inch meter	\$36.45 per month	\$ 40.82
	2 inch meter	\$58.72 per month	\$ 65.77
	3 inch meter	\$222.74 per month	\$ 249.47
	4 inch meter	\$283.48 per month	\$ 317.50
	6 inch meter	\$425.22 per month	\$ 476.25
	8 inch meter	\$587.22 per month	\$ 657.69
	10 inch meter	\$812.66 per month	\$ 910.18
Over 3,000 gallons			\$ 10.33
Institutional Users			
First 3,000 gallons			
	.75 inch meter	\$20.25 per month	\$ 22.68
	1 inch meter	\$28.35 per month	\$ 31.75
	1.5 inch meter	\$36.45 per month	\$ 40.82
	2 inch meter	\$58.72 per month	\$ 65.77
	3 inch meter	\$222.74 per month	\$ 249.47
	4 inch meter	\$283.48 per month	\$ 317.50
	6 inch meter	\$425.22 per month	\$ 476.25
	8 inch meter	\$587.22 per month	\$ 657.69
	10 inch meter	\$812.66 per month	\$ 910.18
Over 3,000 gallons			\$ 9.97 per thousand gallons
Irrigation			
First 3,000 gallons			
	.75 inch meter	\$20.25 per month	\$ 22.68
	1 inch meter	\$28.35 per month	\$ 31.75
	1.5 inch meter	\$36.45 per month	\$ 40.82
	2 inch meter	\$58.72 per month	\$ 65.77
	3 inch meter	\$222.74 per month	\$ 249.47
	4 inch meter	\$283.48 per month	\$ 317.50
	6 inch meter	\$425.22 per month	\$ 476.25
	8 inch meter	\$587.22 per month	\$ 657.69

Schedule of Fees and Charges			FY 2027 Changes
<u>Residential</u>			
Between 3,000 and 7,000 gallons	\$7.38 per thousand gallons		\$ 8.27
Between 7,001 and 13,000 gallons	\$8.12 per thousand gallons		\$ 9.09
Over 13,000 gallons	\$9.22 per thousand gallons		\$ 10.33
<u>Jointly Metered Residential</u>			
Between 3,000 and 7,000 gallons	\$7.38 per thousand gallons		\$ 8.27
Over 7,001 gallons	\$9.22 per thousand gallons		\$ 10.33
<u>Multi-Family</u>			
Over 3,000 gallons	\$9.22 per thousand gallons		\$ 10.33
<u>Commercial</u>			
Over 3,000 gallons	\$9.22 per thousand gallons		\$ 10.33
<u>Institutional</u>			
Over 3,000 gallons	\$9.97 per thousand gallons		\$ 11.17
Fire Hydrant Meters			
First 3,000 gallons	\$222.74 per month		\$ 249.47
Over 3,000 gallons	\$9.97 per thousand gallons		\$ 11.17
Note: Water rates for customers outside the city limits are calculated in the same manner as rates for customers within the city limits; however, a multiplier of 1.50 shall be applied to the cost components listed above.			

Schedule of Fees and Charges			FY 2027 Changes
Wastewater Services			
			
Single Family/Jointly Metered Residential			
First 2,000 gallons	\$21.10 per month		\$ 23.63
Over 2,000 gallons	\$7.88 per thousand gallons		\$ 8.83
Note: Each individually metered residential dwelling unit shall be charged a monthly wastewater service charge and a volume charge based upon the average amount of water consumed during the months of November, December, January and February of each year, rounded to the nearest 100 gallons. Customers moving onto an existing or newly constructed, single family residential unit shall be billed for sewer at eighty percent (80%) of current monthly consumption up to a maximum monthly amount for 10,000 gallons until the winter month history is established. Residential customers not connected to the waterworks system of the city shall be billed monthly by the city for wastewater services at a calculated rate based on the average residential water consumption of sixty-eight hundred (6,800) gallons \$58.92 , or at a rate based on the average water consumed during the months of November, December, January and February of each fiscal year from the billing records of a special water district.			
Commercial/Institutional Users			
First 2,000 gallons	\$24.35 per month		\$ 27.27
Over 2,000 gallons	\$7.88 per thousand gallons		\$ 8.83
Commercial customers shall be billed at a rate that is consistent with the regular wastewater charge of similar type businesses, premises or users receiving service from the city. The utility office supervisor shall recommend for approval such service charge and conditions as deemed appropriate to the Finance Committee of the City Council and the Finance Committee shall approve the same.			
Septic Waste Disposal Fee			
Septic Waste Receiving Station	\$0.09 per gallon		
Septic Waste Hauler Permit	\$100 per year		
Sewer Service Call (normal business hours, problem found to be on customer side, to include residents, plumbers and contractors)			
0-3 False Alarms	0 - 1 - No Charge		
4-5 False Alarms	2-3 - \$25		
6-7 False Alarms	4-5 - \$50		
8+ False Alarms	6+ - \$100		
After hours Sewer Service Call (After Business hours, problem found to be on customer side, to include residents, plumbers and contractors)			
0-3 False Alarms (after hours)	1 - \$500		
4-5 False Alarms (after hours)	2-3 - \$100		
6-7 False Alarms (after hours)	4+ - \$200		
8+ False Alarms (afterhours)	\$200.00		
Stormwater Utility Fees:			
Passed by Ordinance # 2024-22 9.17.2024			
			
Residential Property Fee			\$5.00 per month
Non-Residential Property Fees			Allocated Impervious Area on the Parcel(s) in square feet (sf) X \$0.00152/SF/month

Schedule of Fees and Charges			FY 2027 Changes
Solid Waste Services			
Per Month Fee			
Residential Collection			
Single Family Households-Inside City Limits	\$26.53		\$ 27.33
Additional Collection Cart	\$14.14		\$ 14.57
Business Minimum Inside City Limits Collection	\$27.91		\$ 28.75
Additional Collection Cart	\$14.14		\$ 14.57
Per Month Fee per Unit			
Multi-Family Residential Collection			
Individually Metered Units With Dumpster	\$26.53		\$ 27.33
Individually Metered Units Without Dumpster	\$26.53		\$ 27.33
Jointly Metered Units Without Dumpster	\$26.53		\$ 27.33
Jointly Metered Units With Dumpster	By size of container and number of pickups (see below)		
Commercial Collection-INSIDE City Limits-Dumpsters and Roll Offs			
Per Month Fee			
2 Yard Dumpster			
1 Collection per week	\$86.92		\$ 89.53
2 Collections per week	\$146.07		\$ 150.46
3 Collections per week	\$205.22		\$ 211.37
4 Collections per week	\$264.36		\$ 272.29
5 Collections per week	\$323.52		\$ 333.23
Per Pickup Fee			
Unscheduled/Extra Pickups - ONSITE	\$39.15		
Unscheduled/Extra Pickups - Start from Transfer Station	\$52.21		
After Hours/Extra Pickups	\$84.39		
Per Month Fee			
4 Yard Dumpster			
1 Collection per week	\$110.53		\$ 113.85
2 Collections per week	\$193.34		\$ 199.14
3 Collections per week	\$276.10		\$ 284.38
4 Collections per week	\$358.88		\$ 369.65
5 Collections per week	\$441.65		\$ 454.90
Per Pickup Fee			
Unscheduled/Extra Pickups - ONSITE	\$54.80		
Unscheduled/Extra Pickups - Start from Transfer Station	\$73.07		
After Hours/Extra Pickups	\$107.21		
Per Month Fee			
6 Yard Dumpster			
1 Collection per week	\$134.17		\$ 138.19
2 Collections per week	\$240.58		\$ 247.49
3 Collections per week	\$346.98		\$ 357.39
4 Collections per week	\$453.40		\$ 467.00
5 Collections per week	\$559.78		\$ 576.58
Per Pickup Fee			
Unscheduled/Extra Pickups - ONSITE	\$70.44		
Unscheduled/Extra Pickups - Start from Transfer Station	\$93.92		
After Hours/Extra Pickups	\$130.26		
Per Month Fee			
8 Yard Dumpster			
1 Collection per week	\$157.80		\$ 162.53
2 Collections per week	\$287.83		\$ 296.47
3 Collections per week	\$417.86		\$ 430.40
4 Collections per week	\$547.90		\$ 564.34
5 Collections per week	\$677.94		\$ 698.27
Per Pickup Fee			
Unscheduled/Extra Pickups - ONSITE	\$86.07		
Unscheduled/Extra Pickups - Start from Transfer Station	\$114.78		
After Hours/Extra Pickups	\$153.20		
Excessive Wear and Tear of Dumpsters			
Dumpster Cleaning	\$104.34		
Dumpster Cleaning and Painting	\$153.38		\$ 383.34
Dumpster Cleaning and Painting when Burned	\$367.27		\$ 597.23
Dumpster Cleaning, Painting and Bottom Replacement when Burned	\$708.27		\$ 1,122.23
Dumpster emptied due to placement of large item	No flat fee, charged as unscheduled pickup from transfer station according to dumpster size		
Each Lid			
Replacement Lids and Bars - Stolen, Unauthorized Removal or Damage	\$42.96		\$ 44.75

Schedule of Fees and Charges			FY 2027 Changes
Per Month Fee Plus Tonnage Fee of \$87.69 per ton			
Open Top Roll-off - Inside City Limits			
1 Collection per week	\$607.00		\$ 715.00
2 Collections per week	\$1,153.00		\$ 1,359.00
3 Collections per week	\$1,643.00		\$ 1,936.00
4 Collections per week	\$2,190.00		\$ 2,581.00
5 Collections per week	\$2,738.00		\$ 3,226.00
Trip Fee Plus Tonnage Fee of \$87.69 per ton			
Per Month Fee Plus Tonnage Fee of \$87.69 per ton			\$ 90.33
Extra Pickups	\$200.00		\$ 250.00
Call In	\$295.00		
Stand-by	\$295.00		
Trip Fee Plus Tonnage Fee of \$87.69 per ton			
Per Month Fee Plus Tonnage Fee of \$87.69 per ton			\$ 90.33
Compacting Roll-off			
Scheduled	\$200.00		
Unscheduled	\$295.00		
Extra Pickups	\$200.00		\$ 250.00
Roll-off Inactivity Fee	\$295.00		
Per Trip Based on Compactor Type			
Repositioning			\$100.00
Set Fees and Deposits			
Roll-off Container Set Fee, New Commercial and Existing Commercial Contractors,	\$162.23 / per Roll Off		
Inside City Limits (To Drop Off Roll-Off) One Time Fee			
DEPOSIT - New Commercial Contractors, Inside City Limits	\$1,500 / per Roll Off		
Commercial Collections for OUTSIDE City Limits, TDCJ, SHSU - Dumpsters & Roll-offs			
Per Month Fee			
Commercial Collection			By size of container and number of pickups (see below)
2 Yard Dumpster			
1 Collection per week	\$103.47		\$ 106.58
2 Collections per week	\$173.89		\$ 179.11
3 Collections per week	\$244.32		\$ 251.65
4 Collections per week	\$314.73		\$ 324.17
5 Collections per week	\$385.16		\$ 396.71
Per Pickup Fee			
Unscheduled/Extra Pickups - ONSITE	\$46.59		
Unscheduled/Extra Pickups - Start from Transfer Station	\$62.13		
After Hours/Extra Pickup	\$100.46		
Per Month Fee			
4 Yard Dumpster			
1 Collection per week	\$131.61		\$ 135.56
2 Collections per week	\$230.15		\$ 237.06
3 Collections per week	\$328.70		\$ 338.57
4 Collections per week	\$427.24		\$ 440.06
5 Collections per week	\$525.79		\$ 541.57
Per Pickup Fee			
Unscheduled/Extra Pickups - ONSITE	\$65.24		
Unscheduled/Extra Pickups - Start from Transfer Station	\$86.99		
After Hours/Extra Pickup	\$127.63		
Per Month Fee			
6 Yard Dumpster			
1 Collection per week	\$159.73		\$ 164.52
2 Collections per week	\$286.40		\$ 294.99
3 Collections per week	\$413.07		\$ 425.46
4 Collections per week	\$539.75		\$ 555.94
5 Collections per week	\$666.41		\$ 686.40
Per Pickup Fee			
Unscheduled/Extra Pickups - ONSITE	\$83.85		
Unscheduled/Extra Pickups - Start from Transfer Station	\$111.81		
After Hours/Extra Pickup	\$155.08		
Per Month Fee			
8 Yard Dumpster			
1 Collection per week	\$187.85		\$ 193.49
2 Collections per week	\$342.66		\$ 352.94
3 Collections per week	\$497.46		\$ 512.38
4 Collections per week	\$652.25		\$ 671.81
5 Collections per week	\$807.06		\$ 831.27
Per Pickup Fee			
Unscheduled/Extra Pickups - ONSITE	\$104.49		
Unscheduled/Extra Pickups - Start from Transfer Station	\$141.80		
After Hours/Extra Pickup	\$189.26		

Schedule of Fees and Charges			FY 2027 Changes
Per Month Fee Plus Tonnage Fee of \$95.82 per ton			\$ 99.65
Open Top Roll-off			
1 Collection per week	\$758.75		\$ 893.75
2 Collections per week	\$1,441.25		\$ 1,698.75
3 Collections per week	\$2,053.75		\$ 2,420.00
4 Collections per week	\$2,737.50		\$ 3,226.25
5 Collections per week	\$3,422.50		\$ 4,032.50
Per Trip Fee Plus Tonnage Fee of \$95.82 per ton			\$ 99.65
Extra Pickups	\$250.00		
Call In	\$393.28		
Stand-by	\$393.28		
Set Fees and Deposits			
Roll-off Container Set Fee, New Commercial and Existing Commercial Contractors, Outside City Limits (To Drop Off Roll-Off) One Time Fee	\$184.13 / per roll off		
DEPOSIT - New Commercial Contractors, Outside City Limits	\$1,500 / per roll off		
Disposal Fees at Scale House			
Basic Fee - Inside City Limit	\$78.00 per ton		\$ 80.34
Basic Fee - Outside City Limit, TDCJ, SHSU	\$97.41 per ton		\$ 101.30
Minimum Fee - Inside City Limit	\$15.00		
Minimum Fee - Outside City Limit, TDCJ and SHSU	\$20.00		
White Goods/Large Furniture - Inside City Limit	\$78.00 per ton		\$ 80.34
White Goods/Large Furniture - Outside City Limit, TDCJ and SHSU	\$97.41 per ton		\$ 101.30
Yard waste and limbs - Inside City Limit smaller than 4" diameter	Free with City Water Bill		remove red
Trees, stumps, limbs - Inside City Limit	\$78.00 DIAMETER GREATER 4" / Free with City Water Bill		80.34 remove red
Trees, stumps, limbs - Outside City Limit, TDCJ and SHSU	\$97.41 per ton		\$ 101.30
Tires, Small (i.e. car or pickup truck) - Inside City Limit	\$4.54 Per Tire		
Tires, Small (i.e. car or pickup truck) - Outside City Limit, TDCJ and SHSU	\$5.68 Per Tire		
Tires, Large (i.e. semi-truck) - Inside City Limit	\$20.43 Per Tire		
Tires, Large (i.e. semi-truck) - Outside City Limit, TDCJ and SHSU	\$24.40 Per Tire		
Small dead animal (i.e. dog, cat) - Inside City Limit	\$5.68 each		
Small dead animal (i.e. dog, cat) - Outside City Limit, TDCJ and SHSU	\$7.09 each		
Large dead animal (i.e. cow, horse) - Inside City Limit	\$78.00 per ton		\$ 80.34
Large dead animal (i.e. cow, horse) - Outside City Limit, TDCJ and SHSU	\$97.41 per ton		\$ 101.30

Schedule of Fees and Charges			FY 2027 Changes
Other Utility-Related Fees			
Meter Accuracy Test	\$75 per meter or actual cost if cost of making test exceeds \$75		
Replacement of Water Meter, Lock, or Head	\$50 per occurrence		
Tamper Fee (Water Meter)	\$100.00 per Occurrence		
Negligent damage to meter or any associated to electronic device	Replacement Cost		
Customer request for meter on/off for repairs	\$25		
Tamper Fee (Fire Hydrant)	\$500.00 per Occurrence		
Portal Service	\$1 per Meter		
Water Tapping Charge			
Completed by City Crews			
.75 inch water tap - short side	\$1,200		
3/4" Water tap - long side	\$1,500		
1 inch water tap - short side	\$1,500		
1 inch water tap - long side	\$2,000		
2 inch water tap (same side) - short side	\$2,500		
2 inch water tap (road bore) - long side	\$3,200		
ETJ - E series meter additional charge	\$525		
TxDOT Tap Fee-	At-Cost Estimate		
Taps involving excavation or boring in or under TxDOT Regulated streets or highways .			
Completed by Another Entity			
.75 inch water meter set only	\$300		
1 inch water meter set only	\$400		
2 inch water meter set only	\$800		
Meters Not Provided by City (Inspection Fee)	\$250		
Sewer Tapping Charge			
Location of Stub -			
Location of an existing Water/Sewer stub. If the existing tap cannot be located, or is unusable the customer will pay the cost for a new tap	\$400 - Non-refundable		
Sewer Tap Condition Video Assessment (at customer's request, City Side Only)	\$400-Normal Business Hours		
Connection Fee	\$200		
4 inch sewer tap - short side	\$1,000		
4 inch sewer tap - long side	\$1,550		
4 inch sewer tap manhole in street	\$1,600		
Taps Made by Other Entity (Inspection Fee)	\$250		
TxDOT Tap Fee-	At-Cost Estimate		
Taps involving excavation or boring in or under TxDOT Regulated streets or highways will be at cost			
Fire Line Tapping Charge			
Taps Made by Other Entity (Inspection Fee)	\$250		
Customer request for fire line meter on/off for repairs	\$50		
Service Fee (new and transferred service)	\$20		
Service Fee (Restricted Access Fee)	\$20		
Service Fee (sprinkler on or off)	\$20		
Same Day Service Fee for Suspended Account	\$50.00		
Requests for same day service for suspended account may be taken between 9:00 a.m - 12:00 p.m the day as suspension. Same day service fee is in addition to the \$40 Account suspension Fee. Same day service fee for suspended account is available only the day of suspension.			
After Hours - after 5pm	\$75		
Residential Security Deposit			
Water	\$40		
Wastewater	\$40		
Solid Waste	\$40		
Solid Waste Per Cart	\$60		
Solid Waste Cart Replacement Fee	\$60		
New Construction (Residential & Commercial 3/4" to 2" meter X number of meters)	\$100		
New Construction (Commercial - 3" to 8" meter x number of meters)	\$500		

Schedule of Fees and Charges			FY 2027 Changes
Commercial Security Deposit		2 x the average estimated monthly utility service charge	
Construction/Contractor Roll-offs (new accounts)		\$1,500 / per roll off	
Construction/Contractor Roll-offs Permit Fee (Commercial Hauler)		\$100/year/roll-off	
Solid Waste Disposal Deposit		\$500	
Wastewater Vendor Deposit		\$1,500	
Fire Hydrant Meter Deposit		\$500	
Penalty for Late Payment		10% of amount of utility service charge	
Account Suspension Fee		\$40	
Returned Check Fee		\$35	
Surcharges for Industrial Wastewater Discharges		\$1.61 per thousand gallons of wastewater	
Meter Box Lid Replacement		Small -\$10 Large -\$15	
Meter Box Replacement			
Small box / lid combo		\$25	
Large box /lid combo		\$40	
Use of City Equipment		At Cost/ Current FEMA Rate	
Use of City Labor		Actual Rate	
Tanker Truck Fill (up to 8,000 gallons)		\$75.00	
Tanker Truck Fill over 8,000 gallons		\$ 75 + \$6.59 per thousand gallons over 8,000	
Huntsville Municipal Airport			
Hangar Space			
A	1	\$560 month	
	2,3,4,8,9, and 11	\$375 month	
	5,6,7, 10, and 12	\$485 month	
B	4 and 7	\$525 month	
	1,2,3,5, and 6	\$560 month	
C	2,3,4,5,8,and 9	\$375 month	
	1,6,7,10,11, and 12	\$485 month	
D	1,2,3,4,5, and 6	\$560 month	
T	1	\$575 month	
Q	1,2, and 3	\$290 month	
	4	\$375 month	
G	1	\$375 month	
	2,3,4,5,6,7, and 8	\$290 month	
Tie-Down		\$75 month	
	All	\$10 Daily (Daily rate is waived with the purchase of fuel)	
Community Hangar			
	Small Aircraft	\$35 Daily (Rate includes tow fee to and from the apron)	
	Twin Engine/ Larger Aircraft	\$45 Daily	
	Small Aircraft	\$375 Monthly	
	Twin Engine/ Larger Aircraft	\$560 Monthly	
Fuel		Per Gallon Rate	
Type			
	Full Service Avgas 100LL	Market Rate	
	Full Service Jet Fuel	Market Rate	
Additional Services			
	Tow Fee	\$10 (Daily rate is waived with the purchase of fuel	
	Oils and Supplies	Market Rate	
Aircraft Cleaning Service			
Top wash and Vacuum			
	2-4 place Single Engine	\$140.00	
	6-place Single Engine	\$170.00	
	Light Twin Engine	\$225.00	
	Cabin Twin Engine	\$265.00	
Top wash, Belly degrease and Vacuum			
	2-4 place Single Engine	\$240.00	
	6-place Single Engine	\$255.00	
	Light Twin Engine	\$340.00	
	Cabin Twin Engine	\$395.00	
Top wash, Belly degrease, Vacuum and wax			
	2-4 place Single Engine	\$425.00	
	6-place Single Engine	\$510.00	
	Light Twin Engine	\$675.00	
	Cabin Twin Engine	\$790.00	

CITY OF HUNTSVILLE TRAVEL POLICY

The City will comply with Internal Revenue Service (IRS) regulations when reporting certain travel reimbursements (generally involving non-overnight travel) as reportable income for income tax purposes.

Advances for overnight travel must be approved by the Finance Director and submitted 14 days prior to travel.

Per diem will not be granted for day-trip travel.

All Travel Expense Forms shall be filled out and signed in ink, not pencil, within ten (10) working days of the return date. The most current standardized form(s) provided by the Finance office must be used and all information requested on the form provided, including the detailed receipts (including lodging even if paid on City Credit Card), purpose of the travel, and agenda/itinerary/certificate, map quest (for personal vehicle). The Department Director is responsible for authorizing, within budget limits, all travel by themselves or their employees.

When traveling for city-related business, mileage reimbursement is based upon the most economical mode of travel that is reasonably available. This includes utilizing City fleet vehicles and carpooling when available. When personal automobiles are used, reimbursement is calculated using the U.S. General Services Administration (GSA) Mileage Rate. Up to 15 miles can be allowed to cover travel between lodging and conference sites. If using air service, reimbursement will only be for the amount of an economy class ticket. Receipts are required for parking charges and toll road charges.

When traveling for city-related business, the City will reimburse the employee a per diem rate based on the length of travel and duration of the event for meals related to overnight travel. Tips are included in the allowance. A department may elect to require receipts and reimburse the actual cost of the meal in lieu of a per-diem up to a maximum of the per diem rate. The City of Huntsville's per diem rate is established using the U.S. General Services Administration (GSA) Standard Rate as a benchmark. Although GSA publishes location specific rates for many destinations, the City adopts a standard rate for all travel to support consistent budgeting and ensure responsible stewardship of City resources.

Full per diem is \$75.00 per day: Overnight travel for a full day session of at least six (6) hours outside the 60-mile radius.

Partial per diem is \$60.00 per day: Overnight trip departing after 12 noon or returning before 5:00 pm.

When traveling for city-related business, the City will reimburse up to the cost of the sponsoring hotel or necessary and reasonable lodging charges. Governmental type accommodation and rates are to be requested at all times. Charges on the hotel bill other than lodging are to be entered by day under their proper classification. An employee is expected to use the single room rate. If a non-City employee travels with the employee, the employee will be responsible for the difference in the single rate and increased occupancy charge. In general, the City will NOT reimburse the lodging cost for the night a seminar ends if the employee can reasonably be expected to return home. Employees should minimize overnight stays. It is generally expected that reimbursement for lodging the night prior to a seminar will be reimbursable only if the driving distance and conference start time make it unreasonable to travel on the day of the seminar/ meeting. If anything other than the room charge and hotel parking appear on the bill that will not be paid by the City, it is the responsibility of the employee to pay the supplemental charges and not charge the City credit card. If the employee will be requesting reimbursement for any of the supplemental charges, a detailed receipt is required. For example, if the employee uses room service for a meal and is requesting reimbursement (not if the employee is requesting per diem which should not be charged to the credit card), a detailed receipt for the meal is required. Baggage handling is not reimbursable. Valet parking is only reimbursable when self parking is not available.

It is the policy of The City of Huntsville that employees be reimbursed for necessary and reasonable job related expenses incurred in the authorized conduct of City business. All requests for reimbursement of expenses are subject to documentation and reasonableness and will be honored in conformance with adopted policies and procedures.



City Of Huntsville

Purchasing Policy

Revised October 1, 2026
Revised December 16, 2025

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Forward

The City of Huntsville acknowledges the importance of identifying guidelines for city employees that will enable them to make purchases for the City, while maintaining the integrity of its financial controls. The purchasing process starts with the annual budget. The approval of the City's budget is the way the City Council approves management to spend on behalf of the City. Purchasing is a key part of the process of turning the authorized city budget into actual services. That process must be designed to allow staff to maximize results with limited resources while ensuring compliance with all relevant local, state, and federal laws and regulations. Although the respective department Directors may have the authority to spend within their budget, they must follow specific purchasing procedures and possess an understanding of the procedures to ensure a fair purchasing process.

Purpose

This purchasing policy manual provides the necessary methods of procurement for the roles and responsibilities of both the Purchasing department and all other City departments. The information included will allow the departments to make decisions necessary to request the purchase of goods and services needed to perform the functions of their department effectively.

Mission

- **Ensure Compliance:** Adhere to City Charter, all City policies, as well as applicable state and federal laws governing procurement.
- **Promote Fair Access:** Provide equal opportunity for all qualified vendors through a transparent, competitive procurement process.
- **Safeguard Public Funds:** Ensure that public funds are used responsibly and efficiently to achieve the best value for taxpayers.
- **Uphold Integrity and Public Trust:** Conduct all purchasing activities in a manner that protects the interests of the City of Huntsville and promotes public confidence in the integrity of the procurement process.

Governing Authority

In accordance with the City Charter, purchasing authority is ultimately vested in the City Council. The City Manager, serving as the Chief Executive Officer of the City, is authorized to approve purchases of goods and services not exceeding \$100,000, in alignment with policies established by the City Council. Any purchase exceeding \$100,000 requires formal approval by the City Council prior to the execution of any contractual obligation. All procurement activities shall adhere to all City policies, City Charter, and applicable federal, state, and local laws.

Compliance and Legal Penalties

In accordance with Local Government Code 252.062, a municipal officer or employee commits an offense if the officer or employee intentionally or knowingly makes or authorizes separate, sequential or component purchases to avoid the competitive bidding requirements. This offense could result in up to a class B misdemeanor.

Purchasing Code of Ethics

City personnel involved directly or indirectly in procurement activities are expected to uphold the standards set forth in this Purchasing Code of Ethics. This includes individuals involved in specification development, quote or bid evaluations, requisition approvals, contract oversight, and payment authorization.

To promote shared accountability, all employees participating in purchasing-related decisions shall review and sign a Purchasing Code of Ethics Acknowledgment Form on an annual basis. The Purchasing Department shall maintain these acknowledgments as part of the City's procurement compliance records. We Commit To:

- Upholding the highest standards of honesty, integrity, and impartiality in all procurement activities, avoiding any actions that would result in personal gain or misuse of public trust.
- Avoiding and eliminating all conflicts of interest, both real and perceived, in the execution of our duties.

- Conducting ourselves in a manner that reflects personal honor and professional ethics, fostering public confidence in the integrity of the procurement process.
- Ensuring transparency and accountability by openly communicating procurement actions and decisions in accordance with applicable laws and policies.
- Pursuing ongoing professional development and training to remain current with federal, state, and local procurement statutes, rules, and best practices.
- Promoting fairness and competition by eliminating processes or practices that create bias or unequal treatment of vendors.
- Refusing to accept gifts, favors, or gratuities, and refraining from making personal purchases through business relationships, as such actions compromise the ethical principles of our profession and the public's trust.

Objectives of the Purchasing Department

The Purchasing Department is responsible for providing guidance and support to City departments to ensure compliance with all applicable City policies, City Charter, and applicable federal, state, and local laws governing procurement. To not limited to competitive sealed solicitations, professional services, cooperative purchasing, emergency procurements, and sole or single-source acquisitions. User departments are responsible for making final recommendations to the Mayor and City Council. Purchasing should be included in all pre-purchase planning meetings to ensure adherence to competitive bidding requirements.

User Do's and Don'ts

Coordination among City departments is necessary for the process to work effectively. To avoid delays and comply with all policies and laws, departments should remember the following:

- Don't commit to or acquire goods or services without an authorized purchasing plan or you could be held personally liable for the payment.
- Do adhere to the City's Code of Ethics and avoid activities and behaviors that are unethical or create conflict of interest or the perception of a conflict of interest.
- Do plan purchases to minimize the use of emergency and expedited purchases. Rush purchases are generally more expensive and they delay other requisitions already in the system.
- Do plan purchases to allow sufficient time to process purchase requests. The Purchasing Department is committed to processing all requisitions within a restricted timeframe depending on the dollar threshold of the purchase. In general, departments should allow:
 - 1-2 business days for purchase order requests less than \$3,000 that are not being quoted for competitive pricing.
 - 0-1 business day to complete HUB verification only for purchases \$3,000.01 - \$5,000. The department must obtain an emailed confirmation of HUB vendor verification prior to purchase.
 - 2-3 business days for purchase order requests between \$5,000.01 - \$25,000 from when the requisition and informal quotes are received by the Purchasing Department.
 - 2-3 weeks for purchase order requests between \$25,000.01 - \$100,000 requiring a formal solicitation process.
 - 4-6 weeks for purchase order requests over \$100,000 requiring planning and a formal solicitation process.

General Duties of the Purchasing Department

The Purchasing Department is responsible for overseeing the City's procurement activities in accordance with applicable laws, City policies, and ethical standards. In fulfilling this role, the Purchasing Department shall:

- Enforce the policies and procedures established in the City of Huntsville Purchasing Manual and implement directives issued by the City Manager or their designee;
- Provide support and guidance to departments in the development of specifications to ensure they are clear, non-restrictive, and promote open competition;

- Pursue cooperative purchasing opportunities with other governmental entities when such arrangements are in the best interest of the City;
- Attend and facilitate formal solicitation openings, including pre-opening meetings, and provide procedural support as needed;
- Serve in an advisory capacity as a non-voting member on evaluation committees for competitive solicitations;
- Collaborate with user departments to prepare and coordinate solicitation outcomes, including reporting recommended awards to City Council for formal approval;
- Consolidate purchases of similar goods or services, when practical, to leverage volume pricing and encourage a more competitive procurement environment;
- Assist department heads in the proper disposition of surplus or scrap materials and coordinate the disposal of City-owned assets in accordance with City policy;
- Conduct periodic training sessions for City staff involved in purchasing activities to promote consistent application of procurement procedures;
- Recommend updates or changes to procurement policies and procedures to the Director of Finance, City Manager, and City Council to safeguard public funds and enhance procurement efficiency and accountability; and
- Promote fairness, transparency, and vendor confidence in the City's procurement process by ensuring that specifications support broad competition and that all responsible vendors are afforded equal opportunity to compete for City business.

Purchasing Thresholds and Procedural Requirements

Purchasing Thresholds

- **Purchasing Guidelines for Purchases less than \$3,000**
The Department Director or designee must approve all purchases. Purchases can be made using the Procurement Card, Direct Billing, or a Purchase Order.
- **Purchasing Guidelines for Purchases between \$3,000.01 - \$5,000**
Departments must acquire HUB vendor verification from the Purchasing Department prior to purchase. Purchases made with a purchase order are exempt from this verification requirement. The Department Director or designee must approve all purchases. These Purchases can be made using the Procurement Card, Direct Billing, or a Purchase Order.
- **Purchasing Guidelines for Purchases between \$5,000.01 - \$25,000**
Departments are required to obtain three written quotes. The Department Director must approve all purchase requisitions. The requisition and all supporting documents must be submitted to the Purchasing Department for review and HUB vendor verification. Once the Purchase Order is confirmed, the department will be notified to proceed with placing the order and/or picking up the materials upon confirmation email from the Purchasing Department.
- **Purchasing Guidelines for Purchases between \$25,000.01–\$100,000**
Departments are required to obtain three formal (written) quotes. The Department Director must approve all purchase requisitions. The requisition and all supporting documents must be submitted to the Purchasing Department for review and HUB vendor verification. The Purchasing Department prepares a draft Purchase Order and requests the City Manager's approval. Upon receipt of approval for the purchase, the purchase order is issued. Once the Purchase Order is confirmed, the department will be notified to proceed with placing the order and/or picking up the materials upon confirmation email from the Purchasing Department.

- **Purchasing Guidelines for Purchases \$100,000.01 and over**

A formal sealed competitive solicitation is required, unless the procurement is exempt by law. The solicitation process starts with a planning meeting to decide the appropriate solicitation method (IFB, RFP, RFQ), project timeline, and required documentation. The Department Director must provide an estimated budget to support planning, compliance, and fiscal review. The Purchasing Department will coordinate, develop, and issue the solicitation. The requesting department is the subject-matter expert and is responsible for providing a complete scope of work or specifications for the solicitation. Finally, the Department Director will submit the recommendation of award to the City Council for approval.

- **Purchasing Guidelines for Citywide Solicitations**

The Purchasing Department will submit all supporting documentation of Citywide solicitations for City Council approval. Citywide solicitations are intended to serve multiple departments, such as for janitorial services, landscaping services, or similar commonly used goods or services.

Historically Underutilized Businesses (HUBs)

In accordance with Texas Local Government Code Section 252.0215, when making a purchase exceeding \$3,000 but less than \$100,000, the City must contact at least two Historically Underutilized Businesses (HUBs) on a rotating basis. This requirement is based on the list of HUBs maintained by the Texas Comptroller pursuant to Texas Government Code Chapter 2161. If no HUBs are listed for the county in which the City is located, the requirement does not apply.

Because the HUB directory is a live document updated regularly by the Texas Comptroller, Purchasing can provide current HUB contact information upon request to assist with compliance.

Contract Award Determination

The City of Huntsville awards contracts based on best value and overall benefit to the City. In accordance with Texas Local Government Code Section 252.043, if competitive sealed solicitation is required, the contract must be awarded to either:

- The bidder offering the lowest price who also meets all responsibility requirements (e.g., qualifications, past performance, financial stability).
- The bidder who provides the best overall value to the City, considering both price and other relevant factors (e.g., quality, service, experience, delivery time, etc.).

To ensure transparency and compliance, bid specifications must clearly state whether the award will be made to the lowest responsible bidder or based on best value. If the award is for best value, the solicitation must clearly state the evaluation criteria as permitted under Texas Local Government Code Section 252.043.

All contract award recommendations must have justifying documentation that the award is in the City's best interest. This documentation shall be retained in the procurement file.

Local Vendors

To support the local economy while maintaining fair and competitive procurement practices, in accordance with the Texas Local Government Code. A responsible local vendor may be awarded a contract when its solicitation submission is within the maximum percentage of up to 10 percent above the lowest responsive solicitation submitted by a non-local vendor, provided doing so is determined to be in the City's best interest and all statutory requirements are satisfied.

Solicitation Protest

Any actual or prospective vendor or contractor who is aggrieved in connection with the solicitation or award of a contract may file a written protest. Protests must be submitted to the Purchasing Department within 10 days post award and must clearly state the grounds for the protest and the relief requested. The Purchasing Department will review the protest, conduct any necessary investigations, and issue a written decision within a reasonable period. The Purchasing Department shall make every effort to settle protests promptly and fairly and will not proceed with the contested procurement until the protest is resolved, unless failure to do so would pose a significant risk to operations or the public interest.

Purchase Order Exemptions

The City of Huntsville recognizes that certain payments and services are routine, statutory, or otherwise governed by alternative procedures and therefore do not require the issuance of a purchase order for payment authorization. These exemptions are intended to streamline administrative processing while maintaining fiscal accountability. The following categories of payments are exempt from the purchase order requirement:

- Tax payments
- Insurance premium payments
- Retirement system contributions
- Debt service payments
- Investment transactions
- Utility service payments
- Payments related to employee payroll deductions
- Interlocal agreements
- Reimbursements or payments to other governmental or regulatory agencies
- Training, travel, and lodging expenses
- Customer deposit refunds
- Captive replacement parts or components for equipment,
- Memberships
- Legal Notices
- Bonds
- Software Maintenance
- Postage and Post office rental
- Purchases under \$5,000

Departments remain responsible for ensuring that applicable competitive bidding requirements are met and that all necessary documentation and approvals are secured in accordance with the City's fiscal and budgetary policies prior to initiating payment for any exempt item. The Purchasing Department is available to assist in determining whether a transaction qualifies for an exemption.

Vendor Performance Reviews and Debarment

The City of Huntsville requires routine evaluation of vendor performance to support transparency, accountability, and continuous improvement in vendor relations.

Performance Review Requirements

These reports should be submitted using the City's standardized Vendor Performance Report form. Reports should highlight both positive and negative aspects of vendor conduct. Reports are reviewed and retained by the Purchasing Department in a centralized tracking system. Negative trends may result in a vendor being placed on a performance monitoring list or denied future contract opportunities. Positive performance reports may be used to support future vendor selections, including as part of evaluation criteria in best value solicitations.

- Performance evaluations shall consider the following:
 - Timeliness of delivery or service completion.
 - Quality and conformance to contract specifications.
 - Communication, responsiveness, and professionalism.
 - Billing accuracy and adherence to quoted or contract pricing.
 - Compliance with safety, insurance, and regulatory requirements.
- Departments should complete a Vendor Performance Report:
 - At the conclusion of any project or purchase over \$5,000.
 - Prior to renewing annual purchase orders or term contracts.
 - Whenever vendor performance, positive or negative, warrants documentation.

Debarment

Vendors may be suspended or debarred from future City contracts for:

- Failure to perform in accordance with contract terms.
- Fraudulent, unethical, or deceptive business practices.
- Misrepresentation of qualifications or delivery capabilities.
- Repeated negative performance reports or contract violations.
- Violation of applicable laws or ordinances.

Suspension

The Purchasing Department will issue a Notice of Intent to Debar, detailing the proposed basis for debarment.

- The vendor may submit a written response within 10 business days.
- A final determination will be made by the City Manager, in consultation with the Legal and Finance Departments.
- Debarment periods may range from six (6) months to three (3) years, depending on the nature and severity of the offense.

Reinstatement Requests

All vendor reinstatement requests after debarment must be submitted in writing to the City Manager and will be evaluated on a case-by-case basis. The Purchasing Department will maintain and publish a list of debarred vendors to ensure transparency and compliance in future procurement processes.

Exceptions to Competitive Bidding and Alternative Procurement Methods

While the City of Huntsville is committed to promoting open and competitive procurement practices, both state law and City policy recognize that certain purchases may be exempt from traditional competitive bidding requirements or may be procured through authorized alternative methods. These options enable the City to respond efficiently to specific operational, legal, or emergency needs while maintaining full compliance with applicable statutes.

This section outlines the circumstances under which competitive bidding may be waived—such as for professional services, emergencies, or sole source procurements—as authorized under Texas Local Government Code § 252.022 and Texas Government Code Chapter 2254. It also addresses approved alternative procurement methods, including the use of cooperative purchasing agreements, interlocal contracts, and state-authorized contract programs, which fulfill competitive requirements without the need for a City-issued solicitation.

All exemptions and alternative procurement methods must be properly justified, documented, and approved in coordination with the Purchasing Department to ensure legal compliance, fiscal responsibility, and procurement transparency.

In addition to the exemptions and methods described herein, Texas law provides several other statutory exemptions under Local Government Code § 252.022. Departments considering the use of non-competitive procurement methods not explicitly covered in this section must consult with the Purchasing Department. The Purchasing Department will provide guidance on the appropriate use of such exemptions and ensure that all required documentation and approvals are in place.

Cooperative Agreements

The City of Huntsville may utilize cooperative purchasing agreements as an alternative procurement method that satisfies competitive bidding requirements in accordance with Texas Local Government Code Chapter 791 (Interlocal Cooperation Act) and Section 271.102. Cooperative purchasing agreements allow the City to procure goods and services through contracts that have been competitively solicited and awarded by another governmental entity or purchasing cooperative. This method promotes efficiency, reduces administrative burden, and often results in favorable pricing and terms.

- The City may participate in cooperative programs established by:
 - The State of Texas (e.g., Texas SmartBuy, TXMAS, DIR)

- Regional councils of governments
- Other municipalities, counties, or state agencies
- Recognized purchasing cooperatives such as BuyBoard, HGACBuy, Omnia Partners, or Sourcewell
- All cooperative agreements must be reviewed and approved by the Purchasing Department prior to use. The Purchasing Department will verify that:
 - The cooperative contract was competitively awarded in accordance with applicable laws.
 - The vendor is authorized under the contract to provide the goods or services.
 - The scope of the proposed purchase aligns with the terms and pricing of the cooperative contract.
 - The City's participation in the cooperative is properly documented.
- Use of a cooperative contract does not exempt a department from:
 - Obtaining appropriate internal approvals based on purchasing thresholds.
 - Submitting a requisition and supporting documentation to the Purchasing Department.
 - Complying with grant or funding source requirements, when applicable.
 - IT review/approval for all technology related purchases.
- When submitting a requisition based on a cooperative agreement, departments must include:
 - A copy of the vendor's quote referencing the cooperative contract.
 - The cooperative name and contract number on request.
 - Any required supporting documentation verifying pricing and scope.

The Purchasing Department reserves the right to require additional documentation or justification when using a cooperative agreement, particularly when the procurement exceeds \$100,000 and must be presented to City Council for approval.

Interlocal Agreements

In accordance with Texas Government Code Chapter 791 (Interlocal Cooperation Act), the City of Huntsville may enter into interlocal agreements with other governmental entities to jointly perform governmental functions or procure goods and services when it is in the City's best interest to do so.

- While not commonly used for procurement, interlocal agreements may be appropriate when:
 - Another public entity has already competitively awarded a contract the City wishes to utilize; or piggy back on the contract.
 - Two or more entities collaborate on a shared project or service.
- All interlocal agreements must:
 - Be in writing and outline the scope, duration, responsibilities, and cost-sharing terms.
 - Be approved by the City Manager and City Council if required based on scope or expenditure.
 - Be filed with the City Secretary and retained by the Purchasing Department as part of the official record.
 - Obtain IT review/approval for all technology related purchases.

Procurement of Professional and Personal Services

Certain services are exempt from the competitive bidding requirements. The City of Huntsville follows the applicable statutory framework to ensure the proper selection, contracting, and oversight of these specialized services.

Professional Services

As defined by Texas Government Code 2254.002, the following services are considered professional services when performed by a licensed or certified individual in the course of their professional practice. These services are exempt from bidding and must be procured using a qualifications-based selection process, typically initiated through a Request for Qualifications (RFQ).

- Certified Public Accountants (CPAs)
- Architects
- Landscape Architects
- Land Surveyors

- Physicians and Surgeons
- Optometrists
- Professional Engineers
- Registered Nurses
- State-Certified or Licensed Real Estate Appraisers

Under Texas Government Code Chapter 2254, contracts for professional services may not be awarded based on competitive bidding. Instead, providers must be selected on the basis of:

- Demonstrated competence and qualifications,
- A fair and reasonable price, and
- Fees that do not exceed any maximum amount prescribed by law.

Personal Services

Some services may not fall under the definition of “professional services” governed by Texas Government Code Chapter 2254, but may still be exempt from competitive bidding requirements under Texas Local Government Code § 252.022(a)(4) as personal services. These services are those performed personally by the individual contracted to perform them. To qualify, the compensation under the contract must primarily be for the individual’s labor, not for ancillary costs such as insurance, materials, or equipment. Additionally, these services are typically based on the provider’s unique skills, qualifications, or direct involvement, where trust, personal attributes, or one-on-one interaction is integral to performance.

- Specialized consulting or training where a specific individual’s expertise is essential
- Legal services (typically procured through or approved by the City Attorney)
- Subject-matter experts retained for temporary projects or advisory roles
- Facilitators, mediators, or instructors for specific City programs

All proposed personal service engagements must be submitted to the City Manager and routed through the City Attorney for case-by-case evaluation and approval to determine whether the exemption applies. IT must review/approve all technology related purchases. Departments must provide written justification that clearly outlines the individual’s specific qualifications and explains how the nature of the service meets the statutory and judicial criteria for exemption.

Contract Approval Requirements

All contracts for professional or personal services—whether exempt under Texas Government Code Chapter 2254 or Local Government Code Section 252.022—must follow the City’s formal approval and documentation process to ensure compliance, transparency, and fiscal accountability. Contracts must be:

- Reviewed and approved by the City Attorney for legal sufficiency.
- Approved by the City Manager prior to execution.
- Approved by the City Council if the total contract value is \$100,000 or more, in accordance with City policy and state law.
- Submitted to the Purchasing Department for the issuance of a Purchase Order (PO) before any work begins or payment is made; and
- Filed with the City Secretary following full execution, in accordance with City records retention and policy requirements.

The issuance of a Purchase Order is required for all professional and personal service contracts, regardless of bidding exemptions, to ensure proper authorization, budget verification, and compliance with procurement procedures.

Sole-Source Exemptions

In limited circumstances, purchases may be exempt from competitive procurement requirements if the goods or services are available from only one source. These are known as sole-source procurements, and they are permitted under Texas Local Government Code § 252.022(a)(7) when competition is not feasible. A sole source exemption may be appropriate when:

- The product or service is proprietary and available only from a single provider.

- The item is compatible with existing equipment or systems and must be procured from the original manufacturer or a single authorized distributor.
- The purchase involves specialized services or equipment for which no other source is reasonably available.
- The provider holds exclusive rights, patents, or intellectual property preventing competition.

Requirements for Sole Source Justification

All sole-source purchases must be supported by a written sole-source justification memo prepared by the requesting department. The justification must include:

- A clear explanation of why the goods or services are only available from one source;
- Efforts made to identify alternative sources, if any;
- A description of how the item or service is essential to City operations;
- Any documentation from the vendor supporting sole source status (e.g., letter of exclusivity).
- Obtain IT review/approval for all technology related purchases.

The written justification must be approved by the Purchasing Manager prior to issuance of a Purchase Order.

Special Considerations:

- Price reasonableness must still be evaluated and documented, even for sole source purchases.
- Sole source purchases are subject to annual review, and new supporting documentation must be submitted each fiscal year to justify continued use of the sole source exemption. This requirement ensures the City maintains transparency, verifies that the conditions justifying sole source procurement remain valid, and upholds compliance with applicable state and federal procurement regulations. Failure to provide updated documentation may result in the denial of the exemption and the need to initiate a competitive solicitation process.
- Sole source designation does not exempt the purchase from approval requirements. Purchases that meet or exceed the financial threshold requiring City Manager approval must be reviewed and approved by the City Manager. Purchases that meet or exceed the threshold requiring City Council action must be presented to and approved by the City Council, regardless of sole source status.

Legal Authority

In accordance with Texas Local Government Code § 252.022(a)(2) and (3), competitive bidding requirements may be waived when the immediate purchase of goods or services is necessary to:

- Protect the public health, safety, or welfare of the City's residents; or
- Respond to unforeseen damage to public property, equipment, or infrastructure.

Emergency purchases must be limited to only those materials, services, or equipment necessary to address the immediate need. When feasible, departments should still obtain written quotes to ensure prudent use of public funds.

Authorization and Documentation Requirements

The following procedures must be followed to the greatest extent possible during and immediately after the emergency:

- Written Justification: Emergency purchases exceeding \$5,000 must be documented in a written memorandum prepared by the Department Director.
- The memo must include:
 - A description of the emergency.
 - The items or services procured.
 - The estimated or actual cost.
 - A statement explaining why competitive bidding procedures could not be followed.
- The Department Director must notify the City Manager as soon as practical and no later than the next business day when an emergency purchase is made outside normal bidding requirements.
- All emergency purchases must be reviewed by the City Manager promptly after the emergency has been addressed. If the purchase exceeds the applicable financial threshold, it must be presented to the City Council for formal acknowledgment or approval in accordance with City policy.

- Cyber Incident Exception: When the City Manager (or designee) declares a cyber incident, the IT Director may procure containment/monitoring/IR tooling and services immediately. The Department Director memo (within 1 business day) must include the incident ticket, scope, vendor(s), estimated cost, and reason normal bidding could not be followed.
- For federally declared emergencies, all emergency purchases must also comply with applicable federal procurement standards under 2 CFR § 200, including:
 - Cost or price analysis;
 - Documentation of non-competitive procurement justification;
 - Compliance with federally required contract clauses.

Purchasing Department Notification

Departments must notify the Purchasing Department as soon as reasonably possible following an emergency purchase. The Purchasing Department will assist in reviewing and completing the required documentation, ensure compliance with applicable procurement requirements, and retain records in accordance with City, state, and federal standards.

Technology-Related Purchases

All requests for computer hardware, software, telecommunications equipment, and related services or supplies must be submitted to the Information Technology (IT) Director for review and technical evaluation. The IT Director is responsible for assessing compatibility with existing systems, identifying the most appropriate source, evaluating potential alternatives, and making a formal recommendation regarding the purchase.

No purchases of technology-related equipment, software, or services may be made without prior review and approval from the IT Director. This requirement ensures consistency, system integration, cost-effectiveness, and adherence to City technology standards.

Technology-related purchases include, without limitation: software (on-prem or cloud), SaaS subscriptions and renewals, add-on modules or integrations, professional services related to systems, managed/hosted telecom, mobile device management, multifunction devices with storage, IoT/OT devices, audio/visual systems, security systems (access control, CCTV/ALPR, body cameras), payment systems, and any device or service connecting to City networks.

Technology procurements must comply with the Electronic Communications Systems policy (City of Huntsville Policy & Procedures Manual §12.09).

Expanded Requirements for Cloud-Based Software Vendors

Vendors with access to City data must provide evidence of cybersecurity controls (e.g., SOC 2 Type II or equivalent). Annual third-party attestation of these controls is required. Vendors must also provide summary results or letters of attestation for annual vulnerability or penetration tests, along with remediation confirmation upon request.

The City retains ownership of all data and must be granted export rights. Data exports must be provided in a non-proprietary, accessible format (e.g., CSV, XML, JSON). Within 30 days of contract termination, vendors must provide all City data exports in the aforementioned non-proprietary accessible format and obtain written confirmation of successful receipt and verification from the City IT Director prior to any data deletion. Vendors must then certify secure deletion of all City data, including backups, within 30 days of receiving such confirmation, and provide a destruction certificate to the City IT Director.

Vendors must agree to City audit rights for data security and service compliance. The City reserves the right to audit or request independent verification of vendor security and privacy practices, including review of incident response records, access control logs, and subprocessor agreements. Vendors providing cloud-based or data-hosting services to the City shall ensure that all City data, including backups and disaster-recovery systems, is stored and processed within the continental United States. No confidential or restricted data may be transferred,

stored, or accessed from outside the U.S., in accordance with applicable state cybersecurity guidelines and industry best practices. Vendors must provide documentation confirming U.S.-based data centers upon request. Failure to comply may result in disqualification or contract termination.

Vendors must implement and maintain the following minimum technical and administrative controls:

- Access and Authentication: Require multifactor authentication (MFA) for all administrative accounts; support Single Sign-On (SSO) via SAML or OIDC; enforce least-privilege access.
- Incident Notification and Cooperation: The Vendor is required to notify the City IT Director within 24 hours of any actual or suspected data breach, security incident, or unauthorized access. Furthermore, the Vendor must fully cooperate with any City investigations by providing relevant logs, forensic data, and details of mitigation actions taken.
- Data Protection: Encrypt City data at rest and in transit using current NIST-approved standards (e.g., AES-256, TLS 1.2 or higher).
- System Resilience: Maintain defined Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO); perform annual disaster-recovery and business-continuity testing with documented results.
- Subprocessors: Disclose all subcontractors or subprocessors handling City data prior to engagement and ensure equivalent security and privacy safeguards.
- Regulatory Compliance: Comply with applicable regulations, including CJIS, HIPAA, PCI DSS, and Tx-RAMP when relevant. Provide supporting documentation or certification upon request.
- Right to Suspend Connectivity: The City reserves the right to immediately disable system connectivity to any vendor environment determined to pose a material cybersecurity or privacy risk.

Vendors must maintain active Cyber Liability Insurance with minimum coverage of \$1,000,000 per occurrence, including first-party coverage for data restoration, incident response, regulatory defense, and notification costs. Proof of coverage must be provided at contract execution and upon each renewal.

Purchases Funded by Grants

Purchases made with grant funds are subject to specific procurement requirements set forth by the awarding agency. These requirements may differ from the City's standard purchasing procedures and often include additional federal or state mandates, documentation, and reporting obligations.

To ensure compliance:

- Departments must coordinate with the Grants Manager for all purchases funded by grant awards. The Grants Manager will assist in interpreting grant conditions and ensure that procurement activity aligns with the grant's approved scope and budget.
- A copy of the grant agreement must be provided to the Purchasing Department at the time a requisition is submitted for a Purchase Order or when initiating a formal solicitation process.
- The Purchasing Department will review the grant agreement to identify and apply any applicable procurement requirements, including those outlined in Title 2 of the Code of Federal Regulations (2 CFR), Part 200, specifically §§ 200.317 through 200.327. These may include, but are not limited to:
 - Required federal contract clauses;
 - Competitive procurement thresholds;
 - Solicitation transparency and outreach;
 - Cost and price analysis;
 - Bonding requirements;
 - Use of small, minority, and women-owned businesses;
 - Documentation and record retention.

Failure to follow applicable grant procurement requirements may result in disallowed costs, grant repayment, or loss of funding eligibility. Therefore, it is essential that departments engage Purchasing early in the planning process for any grant-funded purchase.

The Purchasing Department and Grants Manager will work collaboratively with user departments to ensure that all procurement activities conducted under a grant award are fully compliant, properly documented, and audit-ready.

Change Orders

Change orders may be used to increase or decrease the quantity of work, materials, or supplies under an awarded competitive bid solicitation, subject to applicable provisions of Texas Local Government Code 252.048. Changes generally may not increase or decrease the original contract price by more than 25%; decreases exceeding 25% require contractor approval, while increases beyond 25% require separate procurement for the additional work or materials. Change orders must be approved by the City Council or properly delegated authority in accordance with applicable statutory and City requirements, and all change orders shall be documented and executed in writing.

Even after a bid has been awarded, a city may still increase or decrease the quantity of work to be done or the materials or supplies to be furnished through the use of a change order. Such changes may not increase or decrease the original contract price by more than 25 percent. If the city wants to decrease the contract amount by more than 25 percent, it needs to obtain the approval of the contractor for the change. There is no comparable authority for the city to simply gain contractor approval to increase the amount of the order by more than 25 percent. In such a situation, the city would need to seek bids or proposals for the work or products that would be beyond the 25 percent amount.

The city council may also delegate to city staff the authority to approve such change orders if it involves less than a \$50,000 decrease or increase in the contract amount. If a change order for a public works contract in a city with a population of 240,000 or more involves a decrease or increase of \$100,000 or less, or a lesser amount as provided by ordinance, city council may delegate to city staff the authority to approve such change orders.

These change order approval requirements outlined in Section 252.048 of the Government Code apply only to change orders for contracts awarded through the competitive bidding procedures required under Section 252.021.

With regard to change orders to public works contracts, cities should be aware that a vendor or a subcontractor may elect not to proceed with the additional work if: (1) the change order is unsigned; and (2) the aggregate actual or anticipated value of the additional work plus any other outstanding additional work requests exceeds 10 percent of the original contract amount. A vendor or a subcontractor in this instance would not be responsible for damages associated with the choice not to proceed. This provision is applicable to all public works contracts, regardless of whether the contract was awarded through the competitive bidding procedures required under Section 252.021.

Insurance Requirements

Change orders may be used to increase or decrease the quantity of work, materials, or supplies under an awarded competitive bid solicitation, subject to applicable provisions of Texas Local Government Code 252.048. Changes generally may not increase or decrease the original contract price by more than 25%; decreases exceeding 25% require contractor approval, while increases beyond 25% require separate procurement for the additional work or materials. Change orders must be approved by the City Council or properly delegated authority in accordance with applicable statutory and City requirements, and all change orders shall be documented and executed in writing.

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General Requirement

Vendors and contractors performing work for the City of Huntsville shall furnish and maintain, at their own expense, insurance coverage that meets or exceeds the minimum requirements outlined below. A Certificate of Insurance must be submitted to the City prior to issuance of a purchase order or commencement of work.

Required Coverages

The following insurance coverage types and minimum limits shall apply to most contracts. Requirements may be imposed depending on the nature and scope of the services being provided.

- Commercial General Liability
 - \$1,000,000 per occurrence
 - \$2,000,000 general aggregate
 - Must include coverage for products/completed operations at a minimum of \$1,000,000 per occurrence.
 - The City must be named as an Additional Insured by endorsement.
- Commercial Automobile Liability
 - \$300,000 combined single limit per occurrence
 - Must include coverage for owned, non-owned, and hired vehicles.
- Workers' Compensation and Employer's Liability
 - Coverage must comply with all applicable Texas Workers' Compensation laws.
 - A waiver of subrogation in favor of the City of Huntsville must be included by endorsement.
- Professional Liability Insurance (if applicable)
 - Required for contracts involving professional services (e.g., architectural, engineering, legal, financial, consulting):
 - Minimum limit of \$1,000,000 per claim
 - Coverage shall be maintained for the duration of the contract and for a minimum of two (2) years after final completion or termination of services.
- Cyber Liability Insurance (if applicable)
 - Required for vendors with access to the City's networks, systems, confidential data, or personally identifiable information (PII):
 - Minimum limit of \$1,000,000 per claim
 - Coverage must include, at a minimum: data breach response and notification, business interruption, cyber extortion, and network security liability.

Additional Requirements

The Certificate of Insurance must include the following endorsement language in the Description of Operations: "Blanket Additional Insured is added in favor of the certificate holder with respect to general liability coverage as required by written contract. Blanket Waiver of Subrogation is added in favor of the certificate holder with respect to workers' compensation coverage as required by written contract."

Certificate Holder shall be listed as:

City of Huntsville
1212 Avenue M
Huntsville, TX 77340

Policies must provide **30 days' advance written notice** to the City of cancellation, non-renewal, or material change in coverage.

The City of Huntsville reserves the right to request certified copies of insurance policies and endorsements at any time. Insurance coverage must remain in force for the duration of the contract and any extension periods. Failure to maintain required insurance may result in contract suspension or termination.

Travel

The City employee travel related reimbursements shall comply with the City's Travel Policy, applicable current U.S. General Services Administration (GSA) rates, and approved budgetary requirements. Reimbursement is limited to authorized, necessary, and reasonable business expenses, supported by required documentation and submitted within established deadlines. Employees are expected to utilize the most economical mode of travel available, and all travel expenditures, including transportation, lodging, meals, and mileage, shall be reimbursed in accordance with the provisions and limitations established in the City's Travel Policy.

Purchasing Card Program

Any violations of this policy will be considered misuse and may result in disciplinary action.

Program Overview

The City of Huntsville's Purchasing Card (P-Card) Program is designed to streamline the procurement of low-dollar goods and services, particularly for travel and training-related expenses. The program offers an efficient alternative to traditional purchasing methods for allowable purchases under \$5,000, while maintaining accountability, transparency, and compliance with City policy, the City Charter, and applicable state law. Software or SaaS (new or renewal), cloud credits, and technology services may not be purchased with a P-Card without documented IT Director approval and a Purchase Order; this applies to any dollar amount.

Program Oversight

The P-Card Program is administered by the Purchasing Card Administrator within the Purchasing Department. This individual is responsible for training, issuing and maintaining cards, monitoring usage, coordinating billing, and providing periodic reports to the Director of Finance.

Cardholder Eligibility and Agreement

To participate in the program, employees must be authorized by their Department Head and approved by the City Manager's Office. Cardholders must sign a Cardholder Agreement acknowledging receipt of the card and responsibility for compliance with the Purchasing Card Program policies. This agreement outlines the terms of use, restrictions, and the consequences of non-compliance.

Primary Use and Restrictions

The Purchasing Card is intended for travel and training related expenses and low-dollar incidental purchases where the use of a Purchase Order (PO) is impractical. Purchases should **not** be made with a P-Card when:

- The vendor has a billing account with the City. In such cases, departments must contact the Purchasing Department for a PO number and use the billing arrangement.
- The purchase exceeds \$3,000 without HUB vendor verification from the Purchasing Department.
- The purchase exceeds \$5,000 without prior approval from the Finance Director. (Coordinate with the Program Administrator to ensure all purchasing policies and documentation requirements are met.)
- The purchase involves controlled, restricted, or capital items (unless approved).
- The item or service is otherwise restricted under City or State policy.

Prohibited Expenditures

In accordance with the Texas Local Government Code § 271.903, the City of Huntsville Charter, and applicable City ordinances, P-Cards may not be used for:

- Alcoholic beverages
- Personal expenses of any kind
- Gifts or donations not authorized by City Council
- Cash advances
- Split transactions intended to circumvent dollar thresholds
- Entertainment expenses unrelated to official City business
- Fuel for personal vehicles, unless approved for specific travel

Sales Tax Exemption

The City of Huntsville is exempt from state and local sales tax on all purchases, in accordance with applicable tax laws. Employees making purchases on behalf of the City are responsible for informing vendors of the City's tax-exempt status prior to completing any transaction. It is the responsibility of the cardholder or end user to ensure that sales tax is not charged or paid. If sales tax is inadvertently billed, the cardholder must request a corrected invoice or reimbursement.

A copy of the City's Sales Tax Exemption Certificate is available from the Finance Department upon request.

Receipts and Required Documentation

- All cardholders are required to submit itemized receipts for each purchase. For meals, the receipt must:
 - Clearly identify each attendee;
 - Include the business purpose of the meeting or event;
 - Be accompanied by the "Credit Card Meal Receipt" form, available on the City of Huntsville Intranet.
- In cases where a receipt is lost, the cardholder must complete the "Record of Lost Procurement Card Receipt" form, also available on the Intranet, and submit it with their monthly reconciliation. Lost receipts must be an exception, not a regular occurrence.
- Habitual or single occurrence issues could result in termination of card privileges, written reprimand, reimbursement, or up to employment termination. Examples include but are not limited to:
 - Repeated loss of receipts,
 - Unauthorized or unapproved business purchases,
 - Personal charges on the card (even if reimbursed),

Meal and Business Expense Requirements

For meals and hospitality charges to be reimbursable under federal guidelines (e.g., 2 CFR § 200.432), they must meet the following criteria:

- Serve a valid business purpose;
- Be reasonable and necessary;
- Be properly documented with itemized receipts and purpose/attendee list;
- Be approved as part of a travel or training activity or a Council-authorized event.

Disputes and Billing Errors

- Cardholders must make every reasonable effort to resolve disputes or billing errors directly with the vendor. If the vendor acknowledges the error, a credit should be issued to the purchasing card account.
- If a resolution cannot be reached with the vendor, the cardholder should contact JP Morgan using the number listed on the back of the purchasing card. JP Morgan may require the submission of a Statement of Disputed Item to document the issue.
- Disputes must be reported to JP Morgan within 30 calendar days of the transaction date. Cardholders are encouraged to review statements promptly and initiate contact with vendors within 5 business days of identifying a discrepancy to allow sufficient time for resolution and escalation if needed.

- If an acceptable resolution cannot be obtained, the Purchasing Card Program Administrator is available to assist with resolving the issue. The full amount billed by JP Morgan will be charged to the department's account. A credit will be applied to the same account once the issuing bank processes the adjustment.

When to Use a Purchase Order Instead

If a vendor has a billing account with the City of Huntsville, the P-Card should not be used. The department must:

- Confirm with the Purchasing Department whether the vendor is on account;
- Request a Purchase Order (PO) number, usually an Annual Purchase Order;
- Process the purchase through standard billing procedures.

This practice helps maintain centralized vendor billing, ensures appropriate controls, and avoids duplicate payments.

Enforcement and Compliance

The Purchasing Card is a privilege, not an entitlement. The cardholder is personally responsible for:

- Ensuring all purchases comply with City policies and funding source requirements;
- Submitting receipts and required forms timely;
- Reporting lost or stolen cards immediately;
- Returning the card upon transfer, resignation, or termination.

Any misuse of the card may result in revocation of card privileges, disciplinary action, and/or repayment of unauthorized charges, consistent with the City's personnel policies and applicable law.

Disposition of Surplus Property

The City shall dispose of surplus, obsolete, damaged, or unusable property in accordance with applicable provisions of the applicable state and federal laws, the City Charter, and City policies. All property disposals shall be authorized, documented, and conducted in a manner that ensures transparency, accountability, fair market value when required, and responsible stewardship of public assets. Disposal methods, including transfer, trade-in, public sale, auction, recycling, donation when authorized, or destruction, shall comply with applicable provisions of the Texas Local Government Code and established City financial and asset management procedures.

All sales or auctions shall be conducted in a fair, transparent manner and properly documented, with proceeds deposited into the appropriate City fund and the City's fixed-asset and inventory records updated accordingly.

Real property shall be disposed of separately in accordance with applicable provisions of Texas Local Government Code Chapters 253 and 272, including required public notice, bidding, appraisal, or public auction requirements.

No City employee or official shall dispose of, purchase, or otherwise acquire City property except through an authorized disposal process. All disposals shall be supported by appropriate records identifying the property, authorization, method of disposal, purchaser or recipient when applicable, sale proceeds, and final disposition.

Sale or Lease of Real Estate

Authority and Purpose

The sale or lease of City-owned real estate shall be conducted in accordance with the requirements set forth in Texas Local Government Code Section 272 and the City of Huntsville Charter, Sections 14.12 and 14.13(a)–(b). The purpose of this section is to establish procedures and guidelines to ensure that all real estate transactions are carried out in a manner that is transparent, legally compliant, and consistent with the responsibilities of the City Council, City Management, and the public.

Real Estate Management and Delegation of Authority

Except as otherwise provided in this policy, the City Council delegates to the City Manager the authority to manage

and maintain all real estate owned or controlled by the City of Huntsville.

Responsibilities of the City Manager

The City Manager, or a designated representative, shall be responsible for the care, maintenance, safekeeping, and inventory of all City-owned real estate, including the proper handling and retention of deeds and related documentation.

Sale of Public Parks

In accordance with City Charter Section 14.13(a), no public park, or any portion thereof, may be sold unless the proposed sale has been submitted to a vote of the qualified voters of the City and approved by a majority of those voting.

Approval Authority for Real Estate Transactions

The sale or lease of any City-owned real estate shall require the express approval of the City Council.

Sale of Real Estate

The City Manager shall provide written notification to the City Council of the intent to sell real estate no fewer than twenty-one (21) calendar days prior to initiating any sale procedures. If a Councilmember objects to the proposed sale, written notice must be submitted to the City Manager. Upon receipt of such objection, the item may be placed on the next available City Council agenda for discussion and action. If no written objections are received, the City Manager is authorized to proceed with the sale process beginning on the twenty-second (22nd) calendar day.

Fair Market Value Requirement

City-owned real estate shall not be sold for less than its fair market value, as determined by an independent, licensed appraiser.

Methods of Sale

City-owned real estate may be sold using one of the following methods:

- Invitation for Bid (IFB): A competitive sealed bid process, with award to the highest responsive and responsible bidder based solely on price; or
- Brokered Sale: A private sale facilitated by a real estate broker licensed under Texas Occupations Code Chapter 1101, in accordance with Texas Local Government Code Section 272.001(b). The property must be listed for at least thirty (30) days on a Multiple Listing Service or other service commonly used by real estate professionals.
- Public Auction: A sale conducted by a licensed auctioneer or auction firm in accordance with applicable state and local laws. The property must be advertised publicly in advance of the auction date, and the sale must be awarded to the highest qualified bidder.

Public Notice Requirements

In accordance with City Charter Section 14.13(b), the Purchasing Department shall publish notice of the proposed sale in the City's official newspaper on each publication day for two consecutive weeks, regardless of the method of sale. The sale shall not be finalized until at least fourteen (14) calendar days have passed from the date of the last publication.

The notice shall include:

- A legal description and location of the property;
- The method of sale (IFB, brokered sale or public auction);
- Instructions for submitting bids or offers, if applicable;
- The date, time, and location of bid opening (for IFB); and
- Any other relevant sale procedures.

Invitation for Bid Procedures

When using the IFB method, the following requirements apply:

- The City reserves the right to accept or reject any or all responses.
- All responses must be submitted in sealed envelopes addressed to: Attention: City Secretary, City Hall.
- The date, time, and location of the bid opening must be clearly stated in the solicitation and notice.
- If fewer than two responses are received by the published deadline, the opening shall be automatically extended for a minimum of twenty-four (24) hours. An addendum shall be issued promptly to communicate the extension. No responses may be opened until the revised deadline has passed. After the revised deadline, the City Manager may issue a second extension or authorize bid opening.

Retention of Mineral Rights

All mineral rights associated with the property shall be retained by the City unless expressly approved for sale by City Council.

Final Recommendation and Council Action

The City Manager shall present a final recommendation to the City Council on whether to approve the sale or reject all responses or offers, regardless of the method used.

Glossary of Terms

2 CFR Part 200 (Uniform Guidance): Federal regulations for federal awards to non-federal entities. Procurement must comply with §§ 200.317 - 200.327 when using federal funds.

Addendum (*plural: Addenda*): A written instrument issued by the City that modifies or clarifies a solicitation prior to the due date.

Annual Blanket Purchase Orders: A fixed-price agreement used for routine, recurring purchases throughout the fiscal year. These purchase orders are commonly utilized for goods or services required by multiple departments and help streamline procurement by eliminating the need to issue multiple individual POs for similar items (e.g., periodic purchases of sack concrete). Although typically tied to a single fiscal year, blanket purchase orders may extend across fiscal years when supported by an active contract that specifies a valid term beyond one year.

Best Value: A procurement method in which award is based on an evaluation of factors beyond price alone, with consideration given to the overall value to the City over the life cycle of the good or service. Evaluation criteria may include, but are not limited to: price, quality, vendor location, safety record, past performance or relationship with the City, and any other relevant factors specifically identified in the solicitation.

Bonds: Financial instruments required to protect the City's interests in the procurement and execution of certain contracts, particularly in public works projects.

- **Bid Bond:** A bond submitted with a bid to ensure that the bidder, if awarded the contract, will enter into an agreement with the City under the terms proposed.
- **Payment Bond:** A bond that guarantees payment to subcontractors, suppliers, and laborers providing goods or services under the contract. Required for all public works contracts exceeding \$50,000.
- **Performance Bond:** A bond that ensures satisfactory completion of a contract and protects the City in the event of contractor default or failure to perform. Required for public works contracts exceeding \$100,000. (Also referred to as a “completion bond.”)

Blanket Additional Insured Endorsement: A provision in a general liability insurance policy that automatically includes the City of Huntsville as an additional insured under specific contract conditions.

Capital Assets: Tangible assets that, at the time of acquisition, have a value or cost of \$5,000 or more and a useful life exceeding one year. Capital assets must be recorded in the City's asset management system, and a City of Huntsville 'Addition to Asset Form' must be completed and assigned an official asset number.

Change Order: A formal written modification to an existing contract that alters the original scope of work, specifications, quantities, contract amount, or performance timeline. Change orders are typically issued to address unanticipated conditions, regulatory requirements, or changes in project needs, and may result in an increase, decrease, or no change in cost or time.

Cloud-Based Services: Software, storage, or computing services delivered via the internet and hosted on external servers. Cloud-based vendors must meet cybersecurity and data residency requirements specified by the City.

Component Purchases: The purchase of individual components or parts of an item that, under normal purchasing practices, would be acquired in a single purchase. Component purchases may be considered a violation if used to circumvent competitive bidding requirements, particularly when the complete item has previously been competitively bid or should be treated as a single procurement.

Debarment: The formal disqualification of a vendor from participating in future City procurements for a specified period due to documented non-performance, unethical conduct or other violations.

Due Date: The specific date and time by which a quote, bid, proposal, or other solicitation response must be received by the City. Submissions received after the due date are considered late and will not be accepted or evaluated.

Emergency Purchase: A procurement made to address a critical, unforeseen situation in which the City's ability to protect public health, safety, or welfare would be significantly impaired if the purchase is not made without delay. Emergency purchases must be limited to those goods or services necessary to respond to the immediate situation.

Encumbrance: The accounting process by which the City reserves funds to cover the anticipated cost of goods or services, thereby reducing the available budget balance for the applicable period. Encumbrances ensure that funds are set aside when a purchase order or contract is issued, helping to maintain budgetary control.

Formal Procedure: A competitive solicitation process in which responses must be submitted in a sealed envelope to the City Secretary's Office by the specified due date and time. Responses are publicly opened in the presence of representatives from the requesting department and the Purchasing Division. Formal procedures are required for City purchases exceeding \$100,000, in accordance with applicable state and local procurement regulations.

Historically Underutilized Businesses HUBs: Businesses that are at least 51% owned by one or more individuals who are socially and economically disadvantaged, including minority- and women-owned businesses, as certified by the State of Texas. For purchases of \$53,000 or more but less than \$100,000, departments must, when applicable, contact at least two HUBs using a rotational system based on the State Comptroller's HUB directory. If no HUBs are identified in Walker County, the City is exempt from this requirement.

Informal Procedure: Solicitation process used for purchases below the formal bidding threshold, in which responses are submitted directly to the requesting department. Responses may be received by electronic means (e.g., email), facsimile, or physical delivery. Informal procedures are typically used to expedite procurement while maintaining fairness and competition.

Individual One-Time Purchase: A purchase made at the department level for a specific good or service that is typically required only once during a fiscal year. These purchases are non-recurring in nature and do not warrant a blanket or contract purchase. Individual one-time purchases remain subject to all applicable City purchasing thresholds, approval requirements, and competitive purchasing procedures based on the total dollar value of the purchase. A purchase made at the department level for a specific good or service that is typically required only once during a fiscal year. These purchases are not recurring and do not warrant a blanket or contract-based procurement.

Invitation for Bids (IFB): A formal solicitation method used when the City is seeking competitive bids for goods, equipment, or services that are clearly defined and for which an award can be based on the lowest responsive and responsible bidder. An IFB includes **detailed** specifications, contract terms, and submission requirements. Price is the primary factor in the award and negotiations are not conducted.

Piggyback Cooperative: A form of intergovernmental cooperative purchasing in which one governmental entity leverages the pricing, terms, and conditions of a contract awarded by another governmental entity. The original contract must include language that permits such usage by other public agencies.

Professional Services: Services provided by individuals or firms that require specialized knowledge, formal education, and professional licensing or certification. These services involve a high degree of skill,

judgment, and expertise, and are generally exempt from competitive bidding under Texas Government Code Chapter 2254. Examples include, but are not limited to: accounting, architecture, engineering, medicine, real estate, and surveying.

Purchase Order: The City's official written document issued to a vendor that authorizes a purchase and formalizes the terms and conditions of the transaction. A purchase order serves as a legal agreement between the City and the vendor for the delivery of specified goods or services at agreed-upon prices.

Real Estate: Land and any buildings, structures, or improvements that are permanently affixed to it.

Request for Proposal (RFP): A formal solicitation method used when the City seeks solutions based on defined criteria that extend beyond price alone. Respondents are invited to submit proposals offering the best value to the City, considering factors such as qualifications, methodology, experience, and cost. The RFP process allows for negotiation of terms and conditions between the City and the selected proposer prior to contract award.

Request for Qualifications (RFQ): A solicitation method used to procure services that fall under the definition of Professional Services, as defined by Texas Government Code Chapter 2254. Responses are evaluated based solely on qualifications, and an award is made to the firm deemed most qualified. Price is not considered until after the most qualified firm is selected.

Responsible Responder: A respondent who has the capability in all respects to fully meet the requirements of a solicitation and successfully fulfill the terms of any resulting contract. This includes, but is not limited to, possessing the necessary skill, experience, integrity, financial and technical resources, and compliance with all applicable standards and specifications outlined in the solicitation.

Responsive Responder: A respondent who has submitted a bid or proposal that complies in all material respects with the requirements, specifications, terms, and conditions set forth in the solicitation. This includes proper completion and submission of all required forms, signatures, and documentation as outlined in the solicitation package.

Separate Purchases: The procurement of individual items or services in multiple transactions that, under normal purchasing practices, would be combined into a single purchase. This practice may be considered a violation if used to circumvent competitive bidding requirements.

SOC 2 Type II: A cybersecurity compliance standard for service organizations that describes controls relevant to security, availability, processing integrity, confidentiality, and privacy. Required for vendors handling sensitive or hosted City data.

Sole Source: A procurement method used when goods or services are available from only one known source, and no reasonable alternative or substitute exists. Sole source purchases must be justified and documented in accordance with applicable laws and City policy and are typically exempt from competitive bidding requirements.

Subcontractor: Any individual or business entity engaged by a vendor to provide goods, labor, equipment, or services that are used in fulfilling the vendor's obligations under a contract with the City. Subcontractors operate under the direction of the primary contractor and are not in direct contractual agreement with the City.

Suspension: A temporary exclusion from the procurement process pending investigation or resolution of a performance or compliance issue. Suspended vendors may not receive awards during the suspension period.

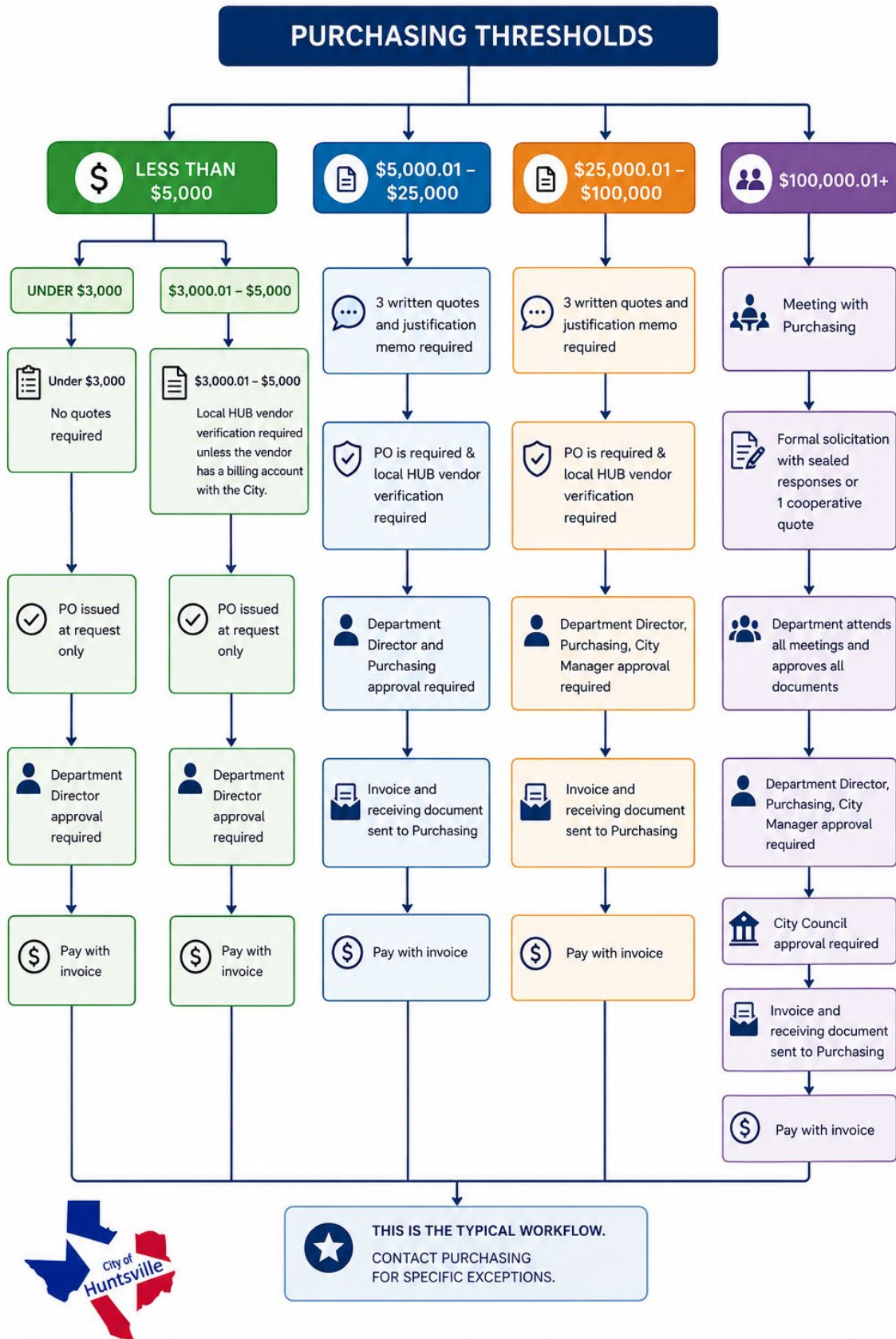
Term Purchase Order: A purchase order established for a defined period of time to allow for the recurring procurement of specified goods or services under agreed-upon terms and pricing. Term purchase orders facilitate efficient ordering and are typically used when needs are anticipated throughout the duration of the specified term.

Value Engineering: A systematic technique used to improve the value of a project by identifying cost-saving alternatives without compromising quality, performance, or functionality. Under this approach, a contractor may:

- Voluntarily propose more economical methods or materials and share in any resulting cost savings; or
- Be contractually required to establish a value engineering program and submit proposals aimed at reducing costs while maintaining project objectives.

Vendor/Contractor: An individual or business entity that provides goods, equipment, labor, and/or services to the City in fulfillment of the terms and conditions outlined in an agreement, contract, or purchase order. The vendor or contractor is responsible for delivering the specified deliverables in accordance with the City's requirements.

APPENDIX A – FLOWCHARTS & DIAGRAMS





FLOW FOR ALL GOODS AND SERVICES, WHICH A PURCHASE ORDER (PO) IS ISSUED

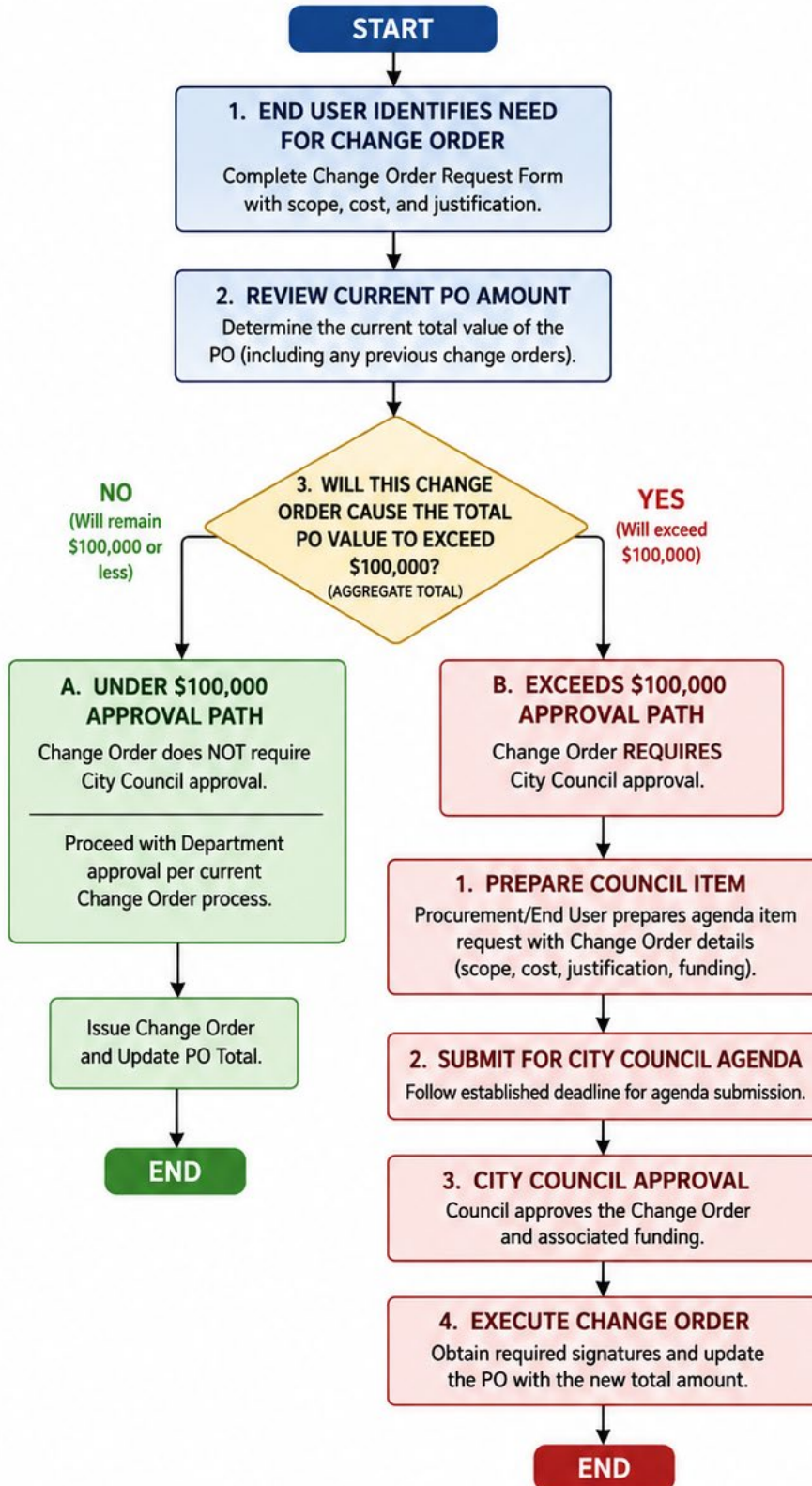


THIS IS THE TYPICAL
WORKFLOW.

CONTACT PURCHASING
FOR SPECIFIC EXCEPTIONS.

CHANGE ORDER APPROVAL PROCESS

Original PO Under \$100,000 – Change Order Will Exceed \$100,000



KEY RULE

If the total value of the PO (original amount PLUS all change orders) will exceed \$100,000, the Change Order **must be approved by City Council** before it can be executed.



NOTES

- The \$100,000 threshold is based on the AGGREGATE total of the PO.
- This applies even if the original PO was under \$100,000.
- Plan ahead for Council meeting dates and submission deadlines.
- No work beyond the original PO scope or amount should be authorized until the Change Order is fully approved.

QUICK REFERENCE

Original PO Under \$100,000
+ Change Order

Total PO Value:

- \$100,000 or less → **Department Approval**
- Over \$100,000 → **City Council Approval**

APPENDIX B – Procurement Policies and Procedures for Federal Grant Funds

Appendix B – Procurement Policies and Procedures for Federal Grant Awards

The City of Huntsville follows the procurement standards outlined in 2 CFR §§200.317 – 200.327 and Appendix II to Part 200 for all procurement actions funded in whole or in part with Federal grant funds. The City makes every effort to adhere to these requirements and updates its internal policies and procedures as Federal regulations change.

Because federal programs vary in scope and applicability, the entirety of 2 CFR §§200.317 – 200.327 may not apply to every procurement situation or funding source. This appendix reflects the current regulatory language and requirements in effect at the time of adoption of these policies and procedures. Where Federal guidance is revised or superseded, the City will follow the most current applicable regulations.

Note on §200.317

Section 200.317 applies specifically to States. As a municipal government, the City of Huntsville is considered a non-federal entity under 2 CFR Part 200 and is therefore required to follow the procurement standards in §§200.318-200.327 for all procurements funded in whole or in part with Federal grant funds. The State-specific provisions in §200.317 do not apply to the City.

2 CFR §200.318 – General Procurement Standards

The City of Huntsville follows the general procurement standards established in 2 CFR §200.318 for all procurements funded as a whole or in part with Federal grant funds. The City maintains documented procurement procedures that are consistent with State and local laws, the City's Purchasing Policy, and the federal requirements found in 2 CFR §200.317 through 200.327. These procedures must be followed by all departments when acquiring goods and services using Federal funds.

Departments are responsible for providing adequate oversight of contractors to ensure performance in accordance with terms, conditions, and specifications of their contracts or purchase orders. This oversight requirement applies through the life of the contract and is a core component of federal grant compliance.² CFR §200.318(b) To support this responsibility, the Purchasing Department and the Grant Management Office are available to provide guidance and assistance to departments on contract monitoring, documentation, and compliance requirements whenever needed.

This policy establishes the City's standards of conduct for individuals involved in federally funded procurement activities. These standards apply to City Council Members, the City Manager, Assistant City Managers, Department Directors, managers, supervisors, employees, and any agents or representatives acting on behalf of the City in the selection, award, or administration of federally funded contracts. Individuals subject to these standards may not participate in a procurement if they have a real or apparent conflict of interest. A conflict exists

when an individual, a member of their immediate family, their partner, or an organization employing or seeking to employ any of these parties has a financial or personal interest in a firm competing for a contract.² CFR §200.318(c) (1) & (c) (2)

These individuals may not solicit or accept gifts, gratuities, or favors from contractors or subcontractors, except for unsolicited items of nominal value, defined for these purposes as \$25 or less. Violations of these standards may result in disciplinary action consistent with City personnel policies. Because the City does not have parent, subsidiary, or affiliated entities, organizational conflicts of interest are not anticipated; however, if such situation were ever to arise, the City will develop appropriate written standards to ensure impartiality in the procurement process.² CFR §200.318(c)(2)

Departments must avoid acquiring unnecessary or duplicative items and should evaluate opportunities to consolidate or separate procurements when doing so may result in more economic outcomes. When appropriate, departments should conduct lease-versus-purchase analysis or other cost-effectiveness evaluations to determine the most economical approach.² CFR §200.318(d)

To promote efficiency and cost savings, the City is encouraged to use intergovernmental agreements, cooperative purchasing contracts, and other shared-service arrangements when appropriate. These practices must still comply with all applicable federal competition requirements. Departments are also encouraged to use Federal excess or surplus property when feasible and cost-effective instead of purchasing new equipment.² CFR §200.318(e) & (f)

For construction projects of sufficient size or complexity, the City may include value engineering provisions designed to identify opportunities for cost reductions while maintaining essential functionality.² CFR §200.318(g) Contracts funded with Federal grant dollars will be awarded only to responsible contractors that demonstrate integrity, compliance with public policy, satisfactory performance history, and adequate financial and technical resources. The City will also comply with federal suspension and debarment requirements found in 2 CFR §200.214.² CFR §200.318(h)and §200.214

The City will maintain procurement records that document the history of each procurement action. These records must identify the method of procurement used, the rationale for selecting that method, the basis for contractor selection or rejection, the contract type chosen, and the basis for the contract price. Records must be sufficient to meet federal audit and monitoring standards.² CFR §200.318(i)

Time-and-materials contracts may be used only when no other contract type is suitable and only when the contract contains a not-to-exceed price that the contractor may not exceed at its own risk. Departments using this type of contract must exercise a higher degree of oversight to ensure efficient performance and appropriate cost controls.² CFR §200.318(j) Before execution, any time-and-materials contract to be charged to a Federal award must be reviewed and approved by the City Attorney's Office and, when required by the terms of the Federal program, by the Federal awarding agency or pass-through entity.

§200.319 Competition

All procurements conducted by the City of Huntsville using Federal grant funds must be carried out in a manner that provides full and open competition, consistent with the requirements of 2 CFR §200.319 and §200.320. Ensuring open competition is not only a federal requirement – it also helps the City obtain the best value and maintain public trust in the integrity of its purchasing process.

To support objective contractor performance and avoid unfair competitive advantage, the City will not allow a contractor, consultant, or firm that prepares or assists in preparing specifications, statements of work, requirements, or solicitation documents to compete for the same procurement. ^{2 CFR §200.319 (b)} In practice, this means that anyone who helps shape the scope of work may not later submit a proposal for it. This separation protects both the City and the fairness of the process.

The City must also avoid procurement practices that may restrict competition. Federal guidance provides several examples of what this looks like in the real world, including setting unreasonable qualification requirements; demanding unnecessary experience or excessive bonding; allowing noncompetitive pricing practices amount firms; awarding noncompetitive contracts to on-on retainer consultants; permitting organizational conflicts of interest; specifying a single brand name without allowing an equivalent product; or taking arbitrary action that affects the competitive process. ^{2 CFR §200.319 (b)} These types of situations can limit competition and must be avoided.

The City must conduct all federally funded procurements in a manner that does not impose state, local or geographical preferences in evaluating bids or proposals, unless a specific Federal statute requires or encourages such a preference. ^{2 CFR §200.319(C)} This requirement does not prevent the City from requiring vendors to hold the licenses required under Texas law. This distinction is important because licensing requirements are legal qualifications – not geographic preferences. When procuring architectural or engineering services the City may consider a firm’s geographic location as one of many selection factors, as long as doing so does not reduce the number of qualified firms able to compete, given the nature and size of the project.

The City maintains written procurement procedures to guide the development and issuance of competitive solicitations. ^{2 CFR §200.319 (d)} Each solicitation must include a clear and accurate description of the materials, products, or services being purchased. The description should be detailed enough to communicate what the City needs but not so restrictive that it narrows competition unnecessarily. IN some cases, this may include descriptions of the qualitative features or essential characteristics needed for the intended use. Detailed product specifications should be avoided, as they can unintentionally limit competition. When it is impractical to develop a complete technical description, the City may use a “brand name or equivalent” approach, provided the key performance of functional characterizes are clearly identified. Solicitations must also identify all requirements that bidders or proposers must meet, as well as all evaluation factors that will be applied during the selection process.

If the City uses pre-qualified lists of vendors, firms, or products for federally funded procurements, these lists must be kept current and include enough qualified sources to support

full and open completion. Additionally, the City may not prevent new vendors from qualifying during the solicitation period or structure the list in a way that limits competition.^{2 CFR §200.319(e)}

Finally, the City may award a non-competitive (sole source) procurement only when one of the limited circumstances permitted under 2 CFR §200.320(c) applies.^{2 CFR §200.319(f) referencing §200.320(c)}

When a department believes that a non-competitive procurement is justified, the rationale must be documented and clearly meet federal standards. All sole-source justifications must be submitted to the Purchasing Department for review and approval before the procurement method is used or any contract executed.

§200.320 – Methods of Procurement

The City of Huntsville follows the procurement methods established in 2 CFR §200.320 for all acquisitions made with Federal grant funds. These methods must be applied together with the requirements in §§200.317-200.319 and all applicable State and City purchasing rules. When determining which procurement threshold applies, the City will always use the most restrictive requirement, whether it is the Federal, State or City threshold.

The City maintains document procurement procedures, as required by 2 CFR §200.318(a), that describe how each method of procurement must be carried out. These procedures provide a consistent framework for departments and help ensure compliance with federal and local resources.

Before initiating any purchase using Federal grant funds, whether through micro-purchase, small purchase, or formal procurement methods, departments are strongly encouraged to consult with the Purchasing Department or the Grant Management office. Early coordination helps ensure that the correct thresholds, documentation requirements, and procurement methods are applied and that the purchase complies with the applicable sections of 2 CFR Part 200.

- Informal Procurement Methods

Informal procurement methods may be used for purchases that do not exceed the Simplified Acquisition Threshold defined in the most current version of 2 CFR §200.1, unless the City has adopted a lower threshold. Informal methods allow the City to purchase needed goods and services efficiently while still maintaining appropriate safeguards.

- Micro-Purchases

Micro-purchases are purchases at or below the applicable micro-purchase thresholds established under the current version of 2 CFR §200.1, unless the City has adopted a lower internal threshold. These purchases may be made without soliciting competitive quotations when the prices are reasonable and properly documented. Whenever practical, micro-purchases should be distributed equitably among qualified suppliers. The City will follow all requirements in 2 CFR §200.320(a)(1) when determining or applying the appropriate micro-purchase threshold.

- Small Purchases

Small purchases are those that exceed the micro-purchase threshold but do not exceed the Simplified Acquisition Threshold defined in 2 CFR §200.1, unless the City has a more restrictive internal threshold. For these procurements, the City must obtain price or rate quotations from an adequate number of qualified sources, consistent with 2 CFR §200.320(a)(2).

- Formal Procurement Methods

When a purchase is above the level allowed for small purchase procedures, the City must use one of the formal procurement methods as outlined in 2 CFR §200.320(b). Formal methods involve public notice, a structured solicitation process and sufficient documentation to show that the procurement was conducted fairly and in full compliance with all requirements. As with other thresholds – the City will always apply the most restrictive requirement – Federal, State, or City – when determining whether formal methods must be used.

- Sealed Bids

Sealed bids, also known as Invitation for Bids (IFB), are appropriate when complete and adequate specifications are available, two or more responsible bidders are willing and able to compete, and the purchase can be awarded primarily on price. Bids must be publicly advertised, opened at the designated time and place, and evaluated based on responsiveness and responsibility. The contract is awarded to the lowest responsive and responsible bidder unless all bids are rejected for clearly documented reasons.

- Competitive Proposals

Competitive proposals are used when sealed bids/IFBs are not suitable. Under this method the City issues a Request for Proposals (RFP) that identifies all evaluation factors and their relative importance. Proposals are solicited from an adequate number of qualified offerors and are evaluated using a written method for scoring and selection.² 2 CFR §200.320(b)(2) The contract is awarded to the responsible offeror whose proposal is most advantageous to the City, considering price and other relevant factors.

For architectural and engineering services, the City must use a qualifications-based selection method consistent with the Brooks Act and 2 CFR §200.320(b)(2)(iv), in which firms are evaluated on qualifications first and price is negotiated with the most qualified firm. This method is required for A/E procurements using federal funds.

- Noncompetitive Procurement (Sole Source)

A noncompetitive procurement may be used only when one or more of the circumstances in 2 CFR §200.320(c) apply.

- The purchase does not exceed the micro-purchase threshold;
- Only one source is available;

- A public emergency or exigency will not permit delay
- The Federal awarding agency or pass through entity authorizes the request in writing; or
- Competition is inadequate after soliciting multiple sources.

Departments requesting a noncompetitive procurement must prepare a written justification explaining the basis for the request. All sole-source justifications must be reviewed and approved by the Purchasing Department before a contract is executed. When required by the Federal award, the justification must also be approved by the Federal awarding agency or pass through entity.

§200.321 – Contracting with Small and Minority Businesses, Women-Owned Businesses and Labor Surplus Area Firms

The City of Huntsville is committed to providing fair and inclusive opportunities in all federally funded procurements. IN accordance with 2 CFR §200.321, the City will take meaningful steps to encourage the participation of small businesses, minority-owned businesses, women-owned businesses, and firms located in labor surplus areas whenever feasible. The City will also follow any additional State-required supplier diversity or HUB requirements, applying the most restrictive applicable standard when Federal, State, or City requirements differ.

To support this commitment, departments must make reasonable efforts to identify and include qualified small, minority, women-owned firms in the solicitation process. This may include adding such firms to vendor lists, reaching out to them when they are potential sources, breaking larger procurements into smaller components when practical, or setting delivery schedules in a way that does not necessarily limit their ability to participate. Departments are also encouraged to use available resources such as the U.S. Small Business administration or the Minority Business Development Agency when those services can help broaden competition.^{2 CFR §200.321(b)}

The Purchasing Department and the Grant Management office are available to assist departments with these efforts and can help ensure that all required steps are properly documented in the procurement file.

§200.3322 Domestic Preferences for Procurement

The City of Huntsville will give preference to goods, products, and materials produced in the United States whenever doing so is allowed by federal rules and is compatible with project needs and budget. Federal domestic preference requirements apply to all federally funded contracts, purchase orders, and subawards, and departments must ensure that any required domestic-origin language is included in the procurement documents.

Under this requirement, certain materials such as iron, steel, manufactured products and specific construction materials must meet federal definitions for U.S. production or manufacturing. Departments should review the applicable federal award terms and consult with the Purchasing Department and/or the Grant Management office when determining whether a domestic preference applies to a particular procurement.

The purchasing Department will assist departments in including the required clauses in bid documents and contracts, documentation showing how domestic preference requirements were addressed must be maintained in the procurement file.

§200.323 Procurement of Recovered Materials

The City must follow the requirements of Section 6002 of the Solid Waste Disposal Act and 2 CFR §200.323 when purchasing any products made from recovered materials. These rules apply whenever the City buys an item that appears on the Environmental Protection Agency's (EPA) list of designated products regardless of whether the purchase is funded with federal grant funds or local City funds.^{40 CFR Part 247}

Because the EPA updates this list over time, departments should contact the Purchasing Department before acquiring any product that may fall into a designated recovered materials category. Purchasing will help determine whether the item is covered, what documentation is required, and how to ensure compliance with federal standards.

§200.324 Contract Cost and Price Requirements

For any procurement action that exceeds the Simplified Acquisition Threshold, including contract modifications, the City must complete a cost or price analysis as required by 2 CFR §200.324. This begins with preparing an independent cost estimate, also known as an 'ICE', before bids or proposals are received.

If competition is limited or unavailable, the City must negotiate profit as a separate element of the contract price. When negotiating profit, departments should consider the complexity of the work, the level of risk to the contractor, the contractor's investment, the amount of subcontracting anticipated, the contractor's past performance, and typical industry profit rates for similar work.²

CFR §200.324(b)

Any contract that includes estimated or reimbursable costs must rely on cost principles allowable under 2 CFR Part 200, Subpart E, and cost-plus-percentage-of-cost contracts are strictly prohibited as per 2 CFR §200.324(d).

§200.325 Federal Awarding Agency or Pass-Through Entity Review

Under 2 CFR §200.325, the City must make procurement records available to the Federal awarding agency or pass-through entity whenever requested. This includes technical specifications, solicitation documents, independent cost estimates, and any other records needed by the agency to confirm that the procurement complies with federal requirements.

A Federal agency may request these records before a solicitation is issued or at any point during the procurement process. The City must all provide documents for pre-procurement review whenever required by the terms of the federal award or when the circumstances outlined in 2 CFR §200.325(b) apply.

§200.326 Bonding Requirements

For construction or facility improvements contracts that exceed the Simplified Acquisition Threshold, the City will follow the bonding requirements of 2 CFR §200.326. In most cases, the Federal awarding agency or pass-through entity may allow the City to use its own bonding policies, provided they determine that the federal interest is adequately protected. If such a determination is not made, the minimum federal bonding requirements apply.

Under the federal standards, bidders must submit a bid guarantee equal to five percent of the bid price to ensure that the contractor will execute the contract if awarded. Contractors must also provide a performance bond for 100 percent of the contract price to guarantee completion of the work, and a payment bond for 100 percent of the contract price to ensure that subcontractors and suppliers are paid as required by law.

§200.327 Contract Provisions

When the City enters into a contract using federal grant funds, the agreement must include all clauses required under 2 CFR §200.327 and Appendix II to 200. The specific clauses that apply will depend on the type of procurement, the dollar amount, and the nature of the work. These federally required provisions cover topics such as remedies, termination, equal employment opportunity, Davis-Bacon, contract work hours and safety standards, rights to inventions, Clean Air and Water Act compliance, debarment and suspension, anti-lobbying requirements, recovered materials, and any prohibitions on certain telecommunications equipment.

Purchasing and the Grant Management office will assist departments in determining when provisions apply to a particular contract to ensure the City remains fully compliant with federal requirements.

Protest Procedures

The City of Huntsville provides a formal process for respondents – including bidders, proposers, or any party who has participated in a City solicitation – to raise concerns about how a solicitation or contract award was handled. The purpose of this process is to ensure fairness, transparency, and consistency across procurements. All protests are reviewed and decided by the City Attorney or their designee, who will issue a final decision in writing.

A respondent wishing to file a protest must submit it in writing to the Purchasing Department at purchasing@huntsville.gov. A pre-award protest must be received no later than five (5) business days after the respondent becomes aware of the issue being challenged, but before the scheduled bid opening. A post-award protest must be received no later than ten (10) business days after the notice of intent award or notice of award is issued. Protests filed after these deadlines will not be considered.

A protest must clearly identify the solicitation or contract, describe the specific grounds for the protest, and provide any supporting facts or documentation. Purchasing will acknowledge receipt and forward the protest and the procurement file to the City Attorney for review.

Upon receiving a timely protest, Purchasing will pause further action on the procurement unless the City Attorney determines that proceeding is necessary to protect the City's interests. The City Attorney will review the protest, evaluate the procurement record, request additional information

if needed, and issue a written decision. The decision will state whether the protest is granted or denied and whether any corrective action is required. The determination of the City Attorney or their designee is final.

All documentation related to the protest, including the protest letter, correspondence and the written decision, must be retained in the official procurement file.

City of Huntsville
City Manager's Recommended Budget
All Funds Summary
FY 26-27



Account	FY 2025 Actual Amt	FY 2026 Adopted Amt	FY 2027 City Manager
Revenues			
Property Taxes	\$ 10,184,264	\$ 11,098,468	\$ 11,058,243
Sales Tax	\$ 13,260,640	\$ 13,500,000	\$ 14,000,000
Other Taxes	\$ 147,720	\$ 155,000	\$ 106,000
Permits/Licenses/Development Fees	\$ 1,432,110	\$ 984,500	\$ 984,500
Water Service Charges	\$ 26,895,509	\$ 29,626,637	\$ 33,190,632
WasteWater Service Charges	\$ 13,336,713	\$ 14,844,075	\$ 15,437,838
Municipal Court Fines	\$ 1,216,312	\$ 1,047,650	\$ 1,246,650
Solid Waste Service Charges	\$ 7,906,512	\$ 8,382,890	\$ 9,028,375
Stormwater Drainage Fees	\$ 1,485,406	\$ 1,740,500	\$ 1,772,500
Fees/Charges/Sales	\$ 1,497,204	\$ 1,308,817	\$ 1,930,908
Inter Governmental	\$ 865,904	\$ 902,442	\$ 914,524
Administrative Reimbursements	\$ 7,119,497	\$ 6,824,291	\$ 8,608,587
Interest Earnings	\$ 2,539,746	\$ 1,640,468	\$ 1,991,450
Grants/Reimbursements/Contributions	\$ 1,094,996	\$ 362,380	\$ 1,323,926
Other Revenues	\$ 11,159,701	\$ 11,880,950	\$ 12,435,976
Utility Franchise Fees	\$ 1,865,109	\$ 2,140,000	\$ 2,140,000
Hotel / Motel Taxes	\$ 967,465	\$ 1,210,000	\$ 1,200,000
Total Revenues	\$ 102,974,806	\$ 107,649,068	\$117,370,109
Expenditures			
Salary/Other Pay/Benefits	\$ 27,398,403	\$ 31,613,736	\$ 33,968,175
Supplies	\$ 2,928,081	\$ 3,123,398	\$ 4,091,540
Maintenance of Structures	\$ 3,471,485	\$ 4,787,760	\$ 5,455,222
Maintenance of Equipment	\$ 909,965	\$ 1,223,623	\$ 1,280,629
Service and Utilities	\$ 11,181,285	\$ 14,649,839	\$ 13,433,630
Insurance/Sundry/Elections	\$ 1,604,542	\$ 1,793,500	\$ 2,463,094
Programs/Projects	\$ 4,975,586	\$ 4,670,236	\$ 4,858,727
Land Costs	\$ 0	\$ 0	\$ 0
Capital Outlays	\$ 4,023,770	\$ 3,787,492	\$ 3,880,099
TRA Water Plant	\$ 8,338,262	\$ 9,531,605	\$ 9,000,000
Utility Fund Debt Payments	\$ 2,599,364	\$ 7,342,869	\$ 9,327,963
Debt Service	\$ 2,814,815	\$ 3,522,122	\$ 3,520,657
Future Appropriations/Bad Debt/Depreciation	\$ 5,117,855	\$ 125,880	\$ 300,000
Administrative Reimbursements Out	\$ 9,080,426	\$ 9,385,734	\$ 11,715,201
Interfund Charges/Transfers Out	\$ 3,655,290	\$ 3,916,238	\$ 4,240,468
Transfers to Capital Improvements	\$ 40,627,764	\$ 6,797,865	\$ 9,846,121
	\$ 736,137	\$ 1,500	\$ 1,500
Total Expenditures	\$ 129,463,028	\$ 106,273,397	\$117,383,026

An additional \$75K added for Fire station from the GF

Reserve Contributions: (\$ 12,917)

Revenues Less Expenditures: \$ 0

Annual Budget by Organization Report

Summary

2027 City
Manager

Fund: 101 General Fund		
Revenue		
101 - General Fund		\$42,445,673.00
Revenue Totals		\$42,445,673.00
Expenditures		
101 1101 - General Fund, Nondepartmental General Fund		\$5,014,202.00
101 112 - General Fund, City Council		\$212,338.00
101 113 - General Fund, Office of City Manager		\$1,070,853.00
101 114 - General Fund, Office of City Secretary		\$571,265.00
101 115 - General Fund, Office of City Attorney		\$323,439.00
101 117 - General Fund, Office of City Judge		\$77,541.00
101 150 - General Fund, Human Resources		\$725,805.00
101 210 - General Fund, Finance		\$1,091,305.00
101 216 - General Fund, Office Services		\$119,200.00
101 231 - General Fund, Municipal Court		\$447,298.00
101 234 - General Fund, Purchasing		\$216,895.00
101 320 - General Fund, Public Works Administration		\$0.00
101 323 - General Fund, Streets		\$4,800,352.00
101 388 - General Fund, Warehouse		\$74,311.00
101 389 - General Fund, Garage/Fleet Services		\$694,536.00
101 420 - General Fund, Parks & Leisure Administration		\$570,182.00
101 421 - General Fund, Recreation		\$98,546.00
101 422 - General Fund, Parks Maintenance		\$1,381,950.00
101 424 - General Fund, Aquatic Center Operations		\$316,945.00
101 430 - General Fund, Community Service Asst. Groups		\$21,500.00
101 444 - General Fund, Building Maintenance		\$1,306,202.00
101 460 - General Fund, Cemetery		\$180,176.00
101 550 - General Fund, Police Administration		\$1,517,544.00
101 551 - General Fund, Police Services		\$9,164,617.00
101 552 - General Fund, Fire Services		\$4,661,765.00
101 556 - General Fund, Victim Services		\$99,915.00
101 640 - General Fund, Information Technology		\$2,140,124.00
101 642 - General Fund, GIS		\$369,662.00

Annual Budget by Organization Report

Summary

2027 City
Manager

101 647 - General Fund, Library Services	\$801,104.00
101 715 - General Fund, Support Services	\$749,735.00
101 716 - General Fund, Planning	\$279,395.00
101 717 - General Fund, Engineering and Mapping	\$1,381,357.00
101 718 - General Fund, Grants Management	\$115,355.00
101 719 - General Fund, Survey	\$306,861.00
101 724 - General Fund, Inspections	\$821,777.00
101 725 - General Fund, Health	\$174,141.00
101 830 - General Fund, Economic Development	\$204,428.00
101 839 - General Fund, Main Street	\$280,122.00
101 883 - General Fund, Gift Shop @ Visitors Center	\$0.00
Revenue Totals:	\$42,445,673.00
Expenditure Totals	\$42,382,743.00
Fund Total: General Fund	\$62,930.00
Fund: 116 Debt Service Fund	
Revenue	
116 - Debt Service Fund	\$1,830,630.00
Revenue Totals	\$1,830,630.00
Expenditures	
116 1116 - Debt Service Fund, Nondepartmental Debt Service Fund	\$0.00
116 1161 - Debt Service Fund, Debt Payments-Debt Service	\$2,364,132.00
Revenue Totals:	\$1,830,630.00
Expenditure Totals	\$2,364,132.00
Fund Total: Debt Service Fund	(\$533,502.00)
Fund: 220 Utility Fund	
Revenue	
220 - Utility Fund	\$49,651,567.00
Revenue Totals	\$49,651,567.00
Expenditures	
220 1220 - Utility Fund, Nondepartmental Water	\$10,041,956.00
220 1221 - Utility Fund, Nondepartmental Wastewater	\$10,400,801.00
220 212 - Utility Fund, Utility Billing	\$704,641.00
220 2201 - Utility Fund, Debt Payments-Water	\$4,234,763.00

Annual Budget by Organization Report

Summary

2027 City
Manager

220 2211 - Utility Fund,Debt Payments-Wastewater	\$5,093,200.00
220 320 - Utility Fund,Public Works Administration	\$349,937.00
220 360 - Utility Fund,Surface Water Plant	\$9,000,000.00
220 361 - Utility Fund,Water Production	\$1,533,145.00
220 362 - Utility Fund,Water Distribution	\$2,664,234.00
220 363 - Utility Fund,Wastewater Collection	\$1,822,895.00
220 364 - Utility Fund,A J Brown WW Treatment Plant	\$1,270,141.00
220 365 - Utility Fund,N B Davidson WW Treatment Plant	\$650,188.00
220 366 - Utility Fund,Robinson Creek WW Treatment Plant	\$877,910.00
220 367 - Utility Fund,Environmental Services	\$402,021.00
220 368 - Utility Fund,Meter Reading	\$369,237.00
220 382 - Utility Fund,Street Sweeping	\$201,582.00
Revenue Totals:	\$49,651,567.00
Expenditure Totals	\$49,616,651.00
Fund Total: Utility Fund	\$34,916.00
Fund: 224 Solid Waste Fund	
Revenue	
224 - Solid Waste Fund	\$9,339,075.00
Revenue Totals	\$9,339,075.00
Expenditures	
224 1224 - Solid Waste Fund,Nondepartmental Solid Waste Fund	\$2,872,212.00
224 2241 - Solid Waste Fund,Debt Payments-Solid Waste Fund	\$207,200.00
224 373 - Solid Waste Fund,Commercial Collection	\$1,253,948.00
224 374 - Solid Waste Fund,Solid Waste Disposal	\$3,668,316.00
224 375 - Solid Waste Fund,Residential Collection	\$771,984.00
224 377 - Solid Waste Fund,Recycling	\$231,155.00
Revenue Totals:	\$9,339,075.00
Expenditure Totals	\$9,004,815.00
Fund Total: Solid Waste Fund	\$334,260.00

Annual Budget by Organization Report

Summary

2027 City
Manager

Fund: 226 Stormwater Drainage Fund	
Revenue	
226 - Stormwater Drainage Fund	\$1,537,500.00
Revenue Totals	\$1,537,500.00
Expenditures	
226 1226 - Stormwater Drainage Fund, Nondepartmental-Stormwater Drain	\$186,600.00
226 2261 - Stormwater Drainage Fund, Debt Payments-Drainage	\$949,325.00
226 384 - Stormwater Drainage Fund, Drainage Maintenance	\$392,744.00
Revenue Totals:	\$1,537,500.00
Expenditure Totals	\$1,528,669.00
Fund Total: Stormwater Drainage Fund	\$8,831.00
Fund: 227 Airport Enterprise Fund	
Revenue	
227 - Airport Enterprise Fund	\$379,600.00
Revenue Totals	\$379,600.00
Expenditures	
227 1227 - Airport Enterprise Fund, Nondepartmental-Airport Enter	\$55,953.00
227 387 - Airport Enterprise Fund, Airport Operations	\$323,647.00
Revenue Totals:	\$379,600.00
Expenditure Totals	\$379,600.00
Fund Total: Airport Enterprise Fund	\$0.00
Fund: 302 Medical Insurance Fund	
Revenue	
302 - Medical Insurance Fund	\$4,902,340.00
Revenue Totals	\$4,902,340.00
Expenditures	
302 1302 - Medical Insurance Fund, Nondepartmental Medical Insurance Fund	\$4,590,877.00
Revenue Totals:	\$4,902,340.00
Expenditure Totals	\$4,590,877.00
Fund Total: Medical Insurance Fund	\$311,463.00

Annual Budget by Organization Report

Summary

2027 City
Manager

Fund: 306 Capital Equipment Fund	
Revenue	
306 - Capital Equipment Fund	\$2,200,246.00
Revenue Totals	\$2,200,246.00
Expenditures	
306 379 - Capital Equipment Fund,Fleet/Rolling Stock	\$2,094,601.00
Revenue Totals:	\$2,200,246.00
Expenditure Totals	\$2,094,601.00
Fund Total: Capital Equipment Fund	\$105,645.00
Fund: 309 Computer Equip. Replacement Fund	
Revenue	
309 - Computer Equip. Replacement Fund	\$1,114,021.00
Revenue Totals	\$1,114,021.00
Expenditures	
309 1309 - Computer Equip. Replacement Fund,Nondepartmental Computer Equipment Replace	\$0.00
309 655 - Computer Equip. Replacement Fund,IT Computer/Software Equipment	\$1,096,022.00
Revenue Totals:	\$1,114,021.00
Expenditure Totals	\$1,096,022.00
Fund Total: Computer Equip. Replacement Fund	\$17,999.00
Fund: 402 PEB Trust - Medical Fund	
Revenue	
402 - PEB Trust - Medical Fund	\$600,000.00
Revenue Totals	\$600,000.00
Expenditures	
402 1402 - PEB Trust - Medical Fund,Nondepartmental PEB Trust	\$997,650.00
Revenue Totals:	\$600,000.00
Expenditure Totals	\$997,650.00
Fund Total: PEB Trust - Medical Fund	(\$397,650.00)
Fund: 461 Oakwood Cemetery Endowment Fund	
Revenue	
461 - Oakwood Cemetery Endowment Fund	\$10,000.00
Revenue Totals	\$10,000.00

Annual Budget by Organization Report

Summary

2027 City
Manager

Expenditures		
461 1461 - Oakwood Cemetery Endowment Fund, Nondepartmental Cemetery Endowment Fund		\$0.00
Revenue Totals:		\$10,000.00
Expenditure Totals		\$0.00
Fund Total: Oakwood Cemetery Endowment Fund		\$10,000.00
Fund: 601 Court Security SRF		
Revenue		
601 - Court Security SRF		\$32,000.00
Revenue Totals		\$32,000.00
Expenditures		
601 1601 - Court Security SRF, Nondepartmental Court Security		\$30,605.00
601 432 - Court Security SRF, Court Security Division		\$0.00
Revenue Totals:		\$32,000.00
Expenditure Totals		\$30,605.00
Fund Total: Court Security SRF		\$1,395.00
Fund: 602 Court Technology SRF		
Revenue		
602 - Court Technology SRF		\$59,000.00
Revenue Totals		\$59,000.00
Expenditures		
602 1602 - Court Technology SRF, Nondepartmental Court Technology Fund		\$7,500.00
602 433 - Court Technology SRF, Court Technology Division		\$35,100.00
Revenue Totals:		\$59,000.00
Expenditure Totals		\$42,600.00
Fund Total: Court Technology SRF		\$16,400.00

Annual Budget by Organization Report

Summary

2027 City
Manager

Fund: 609 Airport SRF	
Revenue	
609 - Airport SRF	\$110,800.00
Revenue Totals	\$110,800.00
Expenditures	
609 1609 - Airport SRF,Nondepartmental Airport SRF	\$0.00
609 395 - Airport SRF,RAMP Grant	\$70,800.00
609 399 - Airport SRF,Airport SRF	\$40,000.00
Revenue Totals:	\$110,800.00
Expenditure Totals	\$110,800.00
Fund Total: Airport SRF	\$0.00
Fund: 610 Library SRF	
Revenue	
610 - Library SRF	\$20,000.00
Revenue Totals	\$20,000.00
Expenditures	
610 440 - Library SRF,Library SRF	\$20,000.00
Revenue Totals:	\$20,000.00
Expenditure Totals	\$20,000.00
Fund Total: Library SRF	\$0.00
Fund: 611 Police Seizure & Forfeiture SRF	
Revenue	
611 - Police Seizure & Forfeiture SRF	\$303,408.00
Revenue Totals	\$303,408.00
Expenditures	
611 554 - Police Seizure & Forfeiture SRF,Police Forfeiture SRF	\$303,408.00
Revenue Totals:	\$303,408.00
Expenditure Totals	\$303,408.00
Fund Total: Police Seizure & Forfeiture SRF	\$0.00
Fund: 612 PD School Resource Officer SRF	
Revenue	
612 - PD School Resource Officer SRF	\$887,663.00
Revenue Totals	\$887,663.00

Annual Budget by Organization Report

Summary

2027 City
Manager

Expenditures	
612 1612 - PD School Resource Officer SRF,Nondept. PD School Res Offcr SRF	\$28,911.00
612 555 - PD School Resource Officer SRF,School Resource Officers	\$858,752.00
Revenue Totals:	\$887,663.00
Expenditure Totals	\$887,663.00
Fund Total: PD School Resource Officer SRF	\$0.00
Fund: 613 PD Fed Equitable Sharing Fds SRF	
Revenue	
613 - PD Fed Equitable Sharing Fds SRF	\$163,760.00
Revenue Totals	\$163,760.00
Expenditures	
613 553 - PD Fed Equitable Sharing Fds SRF,PD Fed Equitable Sharing SRF	\$163,760.00
Revenue Totals:	\$163,760.00
Expenditure Totals	\$163,760.00
Fund Total: PD Fed Equitable Sharing Fds SRF	\$0.00
Fund: 614 Police Grants SRF	
Revenue	
614 - Police Grants SRF	\$20,000.00
Revenue Totals	\$20,000.00
Expenditures	
614 559 - Police Grants SRF,Police Grants	\$20,000.00
Revenue Totals:	\$20,000.00
Expenditure Totals	\$20,000.00
Fund Total: Police Grants SRF	\$0.00
Fund: 618 Arts & Visitor Center SRF	
Revenue	
618 - Arts & Visitor Center SRF	\$252,700.00
Revenue Totals	\$252,700.00

Annual Budget by Organization Report

Summary

2027 City
Manager

Expenditures		
618 1618 - Arts & Visitor Center SRF,Nondep Wynne Home Operations SRF	\$46,272.00	
618 840 - Arts & Visitor Center SRF,Cultural Services	\$200,577.00	
Revenue Totals:	\$252,700.00	
Expenditure Totals	\$246,849.00	
Fund Total: Arts & Visitor Center SRF	\$5,851.00	
Fund: 619 LEOSE SRF		
Revenue		
619 - LEOSE SRF	\$49,626.00	
Revenue Totals	\$49,626.00	
Expenditures		
619 558 - LEOSE SRF,LEOSE	\$49,626.00	
Revenue Totals:	\$49,626.00	
Expenditure Totals	\$49,626.00	
Fund Total: LEOSE SRF	\$0.00	
Fund: 623 Homeland Security - ICE SRF		
Revenue		
623 - Homeland Security - ICE SRF	\$300,000.00	
Revenue Totals	\$300,000.00	
Expenditures		
623 1623 - Homeland Security - ICE SRF,Nondepartmental Homeland Sec SRF	\$0.00	
623 668 - Homeland Security - ICE SRF,Homeland Security -ICE SRF	\$300,000.00	
Revenue Totals:	\$300,000.00	
Expenditure Totals	\$300,000.00	
Fund Total: Homeland Security - ICE SRF	\$0.00	
Fund: 663 H/M Tax- Tourism & Visitors Cntr		
Revenue		
663 - H/M Tax- Tourism & Visitors Cntr	\$1,160,500.00	
Revenue Totals	\$1,160,500.00	

Annual Budget by Organization Report

Summary

2027 City
Manager

Expenditures	
663 1663 - H/M Tax- Tourism & Visitors Cntr,Nondept-Tourism & Visitors Cntr	\$131,671.00
663 881 - H/M Tax- Tourism & Visitors Cntr,Tourism	\$578,398.00
663 882 - H/M Tax- Tourism & Visitors Cntr,Visitors Center	\$441,886.00
Revenue Totals:	\$1,160,500.00
Expenditure Totals	\$1,151,955.00
Fund Total: H/M Tax- Tourism & Visitors Cntr	\$8,545.00
Revenue Grand Totals:	\$117,370,109.00
Expenditure Grand Totals:	\$117,383,026.00
Net Grand Totals:	(\$12,917.00)



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 2.b.

Agenda Item: Consider ratifying the increased property tax revenues of \$453,252 reflected in the FY 2026-2027 Budget as adopted.

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Recommended Motion: Move to ratify the increased property tax revenues of \$453,252 reflected in the FY 2026-2027 Budget as adopted.

Strategic Initiative: Strategic Priority #3 - Quality of Life: Establish an environment where citizens can thrive and enjoy the City in which they live. Provide services that enhance the quality of life for all, with a focus on the full life cycle (children, students, families, and retirees) by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

Discussion: Section 102.007(c) of the Texas Local Government Code requires that the governing body, in a separate vote, ratify the property tax revenue increase reflected in the adopted budget. The requirement of the vote in this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate. The additional property tax revenue amount presumes a tax rate set at \$0.3775/\$100 of assessed valuation.

Previous Council Action: None

Financial Implications: There is no financial impact associated with this item.

Approvals:

Lance Hall

Brian Beasley

Scott Swigert

Robby Chapman

Sharon Schultz

Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 2.c.

Agenda Item: Consider adopting Ordinance No. 2026-24 adopting the Tax Rate of \$0.3775 per \$100 valuation, approving one component being M&O at \$0.3361 levying taxes for the City of Huntsville for the FY 2026-2027. **Record/rollcall vote required**

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Recommended Motion: Move to adopt Ordinance No. 2026-24 adopting the Tax Rate of \$0.3775 per \$100 valuation, approving one component being M&O at \$0.3361 levying taxes for the City of Huntsville for the FY 2026-2027. This tax rate is effectively a 8.69% increase in the tax rate. **(The last sentence in the motion is required under Sec. 26.05 of the Texas Tax Code).** **Record/rollcall vote required**

Strategic Initiative: Strategic Priority #3 - Quality of Life: Establish an environment where citizens can thrive and enjoy the City in which they live. Provide services that enhance the quality of life for all, with a focus on the full life cycle (children, students, families, and retirees) by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

Discussion: In the City Manager's Recommended Budget, a tax rate of \$0.3775 per \$100 valuation was used. The City provided notices concerning a proposed rate of \$0.3789 as a maximum rate that could be adopted and a public hearing on the tax rate in compliance with State statutes. A public hearing was held earlier this evening at this City Council meeting. State law requires that 60% of the Council vote in favor of the tax rate for approval.

The attached documents include some additional information on the property tax calculations. In summary, the no-new revenue rate, which would generate the same amount of property tax revenue as last year, is \$0.3506. The Voter-Approval-Rate, is \$.3790, based upon the final certified appraisal numbers from the appraisal district. The budget prepared for consideration used a tax rate of \$0.3775, which is \$0.0015 under the Voter-Approval-Rate.

The percentage calculation required by state law in the motion is calculated in strict accordance with the provisions of the tax code and is figured as the percentage increase between the proposed tax rate in the budget and the calculated No-New-Revenue rate. The actual percentage difference between the \$0.3092 current (FY 26-27) NNR M&O rate and the proposed M&O rate is 8.69%.

Previous Council Action: None

Financial Implications: There is no financial impact associated with this item. This agenda item has no financial impact but is related to the agenda item adopting the FY 2026-2027 Budget where \$9,715,976

of Current Property Tax Revenue was budgeted for in the General Fund and \$1,197,276 of Current Property Tax Revenue was budgeted for in the Debt Service Fund.

Approvals:

Lance Hall
Brian Beasley
Scott Swigert
Robby Chapman
Kristy Doll
Sharon Schultz

Associated Information:

1. Ordinance 2026-24to adopt the M&O Tax Rate .3775 for FY 26-27

ORDINANCE NO. 2026-24

AN ORDINANCE ADOPTING THE MAINTENANCE & OPERATIONS TAX RATE AND LEVYING TAXES FOR THE CITY OF HUNTSVILLE FOR THE 2026-2027 FISCAL YEAR UPON ALL TAXABLE PROPERTY LOCATED WITHIN AND SUBJECT TO TAXATION IN THE CITY; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, THAT:

SECTION 1: There is levied and assessed and shall be collected for the 2026-2027 fiscal year ending September 30, 2027, an ad valorem tax of NO AND 37.75/100 (\$0.3775) DOLLARS for each ONE HUNDRED (\$100.00) DOLLARS of assessed value of property located within the city limits of Huntsville, Texas on January 1, 2026, made taxable by law, which when collected, shall be apportioned among funds and departments of the city government of the City of Huntsville for these purposes:

General Fund Operations	\$0.3361
Debt Service for Payment of General Obligations Indebtedness	<u>\$0.0414</u>
	\$0.3775

SECTION 2: All property upon which tax is levied shall be assessed on the basis of 100 percent of its appraised value [Property Tax Code § 26.02].

SECTION 3: This ordinance shall take effect from and after its passage by City Council.

PASSED AND APPROVED on this 15th day of September 2026.

THE CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

ATTEST:

Kristy Doll, City Secretary

APPROVED AS TO FORM:

Robby Chapman, City Attorney



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 2.d.

Agenda Item: Consider adopting Ordinance No. 2026-25 adopting the Tax Rate of \$0.3775 per \$100 valuation, approving one component being I&S Debt Service at \$0.0414 levying taxes for the City of Huntsville for the FY 2026-2027. **Record/rollcall vote required**

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Recommended Motion: Move to adopt Ordinance No. 2026-25 adopting the Tax Rate of \$0.3775 per \$100 valuation, approving one component being I&S Debt Service at \$0.0414 and levying taxes for the City of Huntsville for the FY 2026-2027. This tax rate is effectively a 8.69% increase in the tax rate. **(The last sentence in the motion is required under Sec. 26.05 of the Texas Tax Code).** **Record/rollcall vote required**

Strategic Initiative: Strategic Priority #3 - Quality of Life: Establish an environment where citizens can thrive and enjoy the City in which they live. Provide services that enhance the quality of life for all, with a focus on the full life cycle (children, students, families, and retirees) by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

Discussion: In the City Manager's Recommended Budget, a tax rate of \$0.3775 per \$100 valuation was used. The City provided notices concerning a proposed rate of \$0.3789 as a maximum rate that could be adopted and a public hearing on the tax rate in compliance with State statutes. A public hearing was held earlier this evening at this City Council meeting. State law requires that 60% of the Council vote in favor of the tax rate for approval.

The attached documents include some additional information on the property tax calculations. In summary, the no-new revenue rate, which would generate the same amount of property tax revenue as last year, is \$0.3506. The Voter-Approval-Rate, is \$.3790, based upon the final certified appraisal numbers from the appraisal district. The budget prepared for consideration used a tax rate of \$0.3775, which is \$0.0015 under the Voter-Approval-Rate.

The percentage calculation required by state law in the motion is calculated in strict accordance with the provisions of the tax code and is figured as the percentage increase between the proposed tax rate in the budget and the calculated No-New-Revenue rate. The actual percentage difference between the \$0.3092 current (FY 26-27) NNR M&O rate and the proposed M&O rate is 8.69%.

Previous Council Action: None

Financial Implications: There is no financial impact associated with this item. This agenda item has no financial impact but is related to the agenda item adopting the FY 2026-2027 Budget where \$9,715,976 of Current Property Tax Revenue was budgeted for in the General Fund and \$1,197,276 of Current Property Tax Revenue was budgeted for in the Debt Service Fund.

Approvals:

Lance Hall
Brian Beasley
Scott Swigert
Robby Chapman
Sharon Schultz
Kristy Doll

Associated Information:

1. Ordinance 2026-25 to adopt the I&S Tax Rate .3775 for FY 26-27

ORDINANCE NO. 2026-25

AN ORDINANCE ADOPTING THE INTEREST AND SINKING FUND (DEBT SERVICE) TAX RATE AND LEVYING TAXES FOR THE CITY OF HUNTSVILLE FOR THE 2026-2027 FISCAL YEAR UPON ALL TAXABLE PROPERTY LOCATED WITHIN AND SUBJECT TO TAXATION IN THE CITY; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, THAT:

SECTION 1: There is levied and assessed and shall be collected for the 2026-2027 fiscal year ending September 30, 2027, an ad valorem tax of NO AND 37.75/100 (\$0.3775) DOLLARS for each ONE HUNDRED (\$100.00) DOLLARS of assessed value of property located within the city limits of Huntsville, Texas on January 1, 2026, made taxable by law, which when collected, shall be apportioned among funds and departments of the city government of the City of Huntsville for these purposes:

General Fund Operations	\$0.3361
Debt Service for Payment of General Obligations Indebtedness	<u>\$0.0414</u>
	\$0.3775

SECTION 2: All property upon which tax is levied shall be assessed on the basis of 100 percent of its appraised value [Property Tax Code § 26.02].

SECTION 3: This ordinance shall take effect from and after its passage by City Council.

PASSED AND APPROVED on this 15th day of September 2026.

THE CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

ATTEST:

Kristy Doll, City Secretary

APPROVED AS TO FORM:

Robby Chapman, City Attorney



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 2.e.

Agenda Item: First Reading—Consider adopting Ordinance No. 2026-28 updating the Service and Assessment Plan and Assessment Roll for the Reserves Public Improvement District.

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Recommended Motion: **Move to waive the two-reading requirement** and adopt Ordinance No. 2026-28 updating the Annual Service Plan Update (2026) and the Assessment Roll for the Reserves Public Improvement District.

Strategic Initiative: Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern, and efficient water, wastewater, drainage, and transportation services.

Discussion: On August 16, 2022 (the "**Creation Date**"), the City Council of the City of Huntsville, Texas (the "**City**") passed Resolution No. 2022-23 approving and authorizing the creation of The Reserves Public Improvement District (the "**PIO**" or "**mstrict**"), to finance the costs of certain public improvements for the benefit of property in the PIO (the "**Authorized Improvement(s)**"), of which 33.22 acres are currently located in the City.

Chapter 372 of the Texas Local Government Code, Improvement Districts in municipalities and counties (as amended, the "**PIO Act**"), governs the creation of public improvement districts within the State of Texas. This Annual Service Plan Update has been prepared pursuant to the PIO Act. According to the PIO Act, a Service Plan "must (i) cover a period of 5 years; (ii) define the annual indebtedness and the projected costs for improvements; and (iii) include a copy of the notice form required by Section 5.014, Property Code". The governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements.

Previous Council Action: On September 16, 2025, The City Council approved Ordinance No. 2025-25 updating the Service and Assessment Plan and Assessment Roll for the Reserves Public Improvement District.

Financial Implications: None

Approvals:

Lance Hall

Brian Beasley

Scott Swigert

Robby Chapman

Sharon Schultz
Kristy Doll

Associated Information:

1. SAP Update - The Reserves (Huntsville) 2026



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ANNUAL SERVICE PLAN UPDATE (2026)

CITY OF HUNTSVILLE, TEXAS

THE RESERVES PUBLIC IMPROVEMENT
DISTRICT

Report Date: SEPTEMBER 15, 2026

Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds

*Irvine | San Jose | San Francisco | Riverside
Dallas | Houston | Raleigh | Tampa*

CITY OF HUNTSVILLE, TEXAS



SERVICE AND ASSESSMENT PLAN THE RESERVES PUBLIC IMPROVEMENT DISTRICT

Prepared for:

City of Huntsville, Texas

1212 Avenue M

Huntsville, Texas 77340

Attn: Lance Hall, Finance Director

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I INTRODUCTION

On August 16, 2022 (the “**Creation Date**”), the City Council of the City of Huntsville, Texas (the “**City**”) passed Resolution No. 2022-23 approving and authorizing the creation of The Reserves Public Improvement District (the “**PID**” or “**District**”), to finance the costs of certain public improvements for the benefit of property in the PID (the “**Authorized Improvement(s)**”), of which 33.22 acres are currently located in the City.

Chapter 372 of the Texas Local Government Code, Improvement Districts in municipalities and counties (as amended, the “**PID Act**”), governs the creation of public improvement districts within the State of Texas. This Annual Service Plan Update has been prepared pursuant to the PID Act. According to the PID Act, a Service Plan “must (i) cover a period of 5 years; (ii) define the annual indebtedness and the projected costs for improvements; and (iii) include a copy of the notice form required by Section 5.014, Property Code”. The governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements.

The Assessment Roll for the District is attached hereto as **Appendix A**, and identifies the Assessment and anticipated Annual Installments for each property. The Assessments as shown on the Assessment Roll are based on the method of assessment described in **Section III** of this Annual Service Plan Update. A copy of the notice required by Section 5.014 of the Texas Property Code is attached hereto as **Appendix B**; this notice will also be included in all future annual updates to the Service and Assessment Plan.

II ANNUAL SERVICE PLAN UPDATE

Section 372.013 of the PID Act requires that the Annual Service Plan Update (i) define the annual indebtedness and the projected costs of the Projects and (ii) cover a period of at least five (5) years. Please refer the following tables for the aforementioned information.

A Sources and Uses of Funds

The sources and uses of funds for The Reserves PID is shown in Table II-1 below.

Table II-1: Sources and Uses of Funds

Description	PID Bonds
Sources of Funds	
PID Bond Par Amount	\$6,500,000
Original Issue Discount	(\$17,207)
Total Sources of Funds	\$6,482,793
Uses of Funds	
<u>Estimated Costs</u>	
Road Improvements	\$1,178,963
Water Systems	\$571,658
Sanitary Sewer	\$498,307
Storm Sewer	\$1,143,213
Earthwork	\$435,636
Park & Play Pavillion	\$0
Contingency	\$129,499
Miscellaneous	\$338,708
Professional & Soft Costs	\$982,313
Subtotal Improvements Costs	\$5,278,298
<u>Financing Costs</u>	
Costs of Issuance	\$390,000
Underwriter's Discount	\$195,000
Capitalized Interest	\$131,862
Reserve Fund Deposit	\$457,633
Administrative Expenses	\$30,000
Subtotal Financing Costs	\$1,204,495
Total Uses of Funds	\$6,482,793

B Five (5) Year Summary

The projected Annual Installments for the next five (5) years for payment of the Actual Costs are presented in Table II-2. The projected Annual Installments are subject to

revision and shall be updated in the Annual Service Plan Update to reflect any expected changes each year.

Table II-2: Five-Year Summary

Fiscal Year Ending	Principal	Interest	Capitalized Interest	Additional Interest	Administrative Expenses	Annual Assessment Installment
2027	\$110,000	\$346,863	\$0	\$15,985	\$31,212	\$504,060
2028	\$115,000	\$341,913	\$0	\$15,710	\$31,836	\$504,459
2029	\$120,000	\$336,738	\$0	\$15,423	\$32,473	\$504,633
2030	\$125,000	\$331,338	\$0	\$15,123	\$33,122	\$504,582
2031	\$130,000	\$325,713	\$0	\$14,810	\$33,785	\$504,307
TOTAL	\$600,000	\$1,682,563	\$0	\$77,050	\$162,428	\$2,522,041

C Description of Public Improvement Project

The costs of the Authorized Improvements, shown in **Table II-3**, include the costs which benefit all Lots. These figures are estimates and may be revised in subsequent Annual Service Plan Updates.

The Authorized Improvements are generally described as follows and are constructed in accordance with the Development Agreement, the plans and specifications approved by the City, applicable local ordinances to the extent not modified by the City in writing, applicable state and federal regulations, and good engineering practices.

- **Roadway Improvements** – The roadway improvements are public road improvements including construction, grading, concrete, reinforcing steel, asphalt, lime, sidewalks, signs, lighting fixtures, street scaping, related dry utility work, and public walkway widening. The roadway improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. The costs of the roadway improvements are set forth in **Table II-3**.
- **Water Improvements** – The water improvements include water mains, trench excavation and embedment, dewatering, trench safety, PVC piping, bore, valves, ground storage, pumps, fire hydrants, thrust restraint devices, service connections, and testing. The water improvements will be designed and constructed in accordance with City and Texas Commission on Environmental Quality ("TCEQ") standards and specifications and will be owned and operated by the City. The costs of the water improvements are set forth in **Table II-3**.
- **Sanitary Sewer Improvements** – The sanitary sewer improvements include sewer mains, manholes, trench excavation and embedment, dewatering, trench safety, and PVC piping. The sanitary sewer improvements will be designed and constructed in accordance with City and TCEQ standards and specifications and

will be owned and operated by the City. The costs of the sanitary sewer improvements are set forth in **Table II-3**.

- **Storm Drainage Improvements** – The drainage improvements include preparation of a Stormwater Pollution Prevention Plan (“SWPPP”), storm sewer mains, inlets, earthen channels, swales, excavation and embedment, dewatering, trench safety, grade inlets, RCP piping and hoses, headways, concrete flumes, rock rip rap, and concrete outfalls. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. The costs of the drainage improvements are set forth in **Table II-3**.
- **Earthwork Improvements** – The earthwork improvements include excavation, embankment, and grading. The earthwork improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. The costs of the landscaping improvements are set forth in **Table II-3**.
- **Professional and Soft Costs** – Professional and Soft Costs are the expenses incurred in the design, engineering and construction management of the Authorized Improvements and the establishment, administration, and operation of the district, but exclude the costs related to the issuance of the PID Bonds. The professional and soft costs are set forth in **Table II-3**.

Table II-3: Total Estimated Costs of All Authorized Improvements*

Description	PID Eligible Authorized Improvement Costs			Non-Eligible Improvement Costs	Total Improvement Costs
	PID Bond Funded	Developer Funded	Total		
Road Improvements	\$1,178,963	\$271,833	\$1,450,796	\$0	\$1,450,796
Water Systems	\$571,658	\$131,807	\$703,465	\$0	\$703,465
Sanitary Sewer	\$498,307	\$114,894	\$613,201	\$0	\$613,201
Storm Sewer	\$1,143,213	\$263,590	\$1,406,803	\$0	\$1,406,803
Earthwork	\$435,636	\$100,445	\$536,081	\$823,200	\$1,359,281
Park & Play Pavillion	\$0	\$0	\$0	\$541,530	\$541,530
Contingency	\$129,499	\$29,859	\$159,358	\$0	\$159,358
Miscellaneous	\$338,708	\$78,096	\$416,804	\$55,000	\$471,804
Professional & Soft Costs	\$982,313	\$226,492	\$1,208,805	\$424,758	\$1,633,563
Total	\$5,278,298	\$1,217,015	\$6,495,313	\$1,844,488	\$8,339,801

***Note:** Costs provided by the Developer. The amounts shown are subject to rounding and may be revised in Annual Service Plan Updates.

The projected annual costs shown in **Table II-4** are the annual expenditures relating to the Improvements, the costs associated with setting up the PID, and the costs of issuance, including reserves (but excluding Additional Interest and Administrative Expenses). The projected annual indebtedness shown in **Table II-4** reflects the debt service on the PID Bonds.

Table II-4: Projected Public Improvement Costs and Indebtedness

Fiscal Year Ending	Projected Annual Costs of Authorized Improvements	Projected Annual Indebtedness
2027	\$0	\$456,863
2028	\$0	\$456,913
2029	\$0	\$456,738
2030	\$0	\$456,338
2031	\$0	\$455,713
TOTAL	\$0	\$2,282,563

III ASSESSMENT PLAN

Pursuant to the PID Act, the City Council may assess Actual Costs against Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the amount of the Assessments. The Actual Costs may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefitted.

A Assessment Methodology

The City Council has determined that the estimated costs of the Authorized Improvements, shall be allocated entirely to the Assessed Property. As reflected in **Table III-1**, the entire Assessment is spread across the Lot Types based on their respective estimated assessed value at Build-out and number of Lots anticipated to be developed within such Lot Type. Authorized Improvements are to be financed in part with the proceeds of the PID Bonds.

Based on the estimated costs for the Authorized Improvements provided by the Developer, the City Council has determined that the benefit to the Assessed Property from the Authorized Improvements is at least equal to the Assessments levied on the Assessed Property.

The Assessment and Annual Installments for Assessed Property are shown on the Assessment Roll, attached as **Appendix A**, and no Assessment shall be changed except as authorized by this SAP or the PID Act.

Table III-1: Assessment Allocations by Lot Type

Lot type	# of Lots	Estimated Assessed Value Per Home	Estimated Assessed Value at Buildout	Assessment Allocation
50'-wide Lot	140	\$295,000	\$41,300,000	100.00%
Total	140	N/A	\$41,300,000	100.00%

B Assessment and Annual Installments

The Assessments for the Authorized Improvements will be levied on each Parcel or Lot according to the Assessment Roll, attached as Appendix A. The Assessments may be prepaid, in whole or in part, at any time or may be paid in Annual Installments that will be due no later than January 31 of each year beginning in 2025 and will be due in the amounts shown in the Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

C Administrative Expenses

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel or Lot based on the amount of the outstanding Assessment remaining on the Parcel or Lot. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the

Assessment Roll, attached hereto as **Appendix A**, which are subject to revision in subsequent Annual Service Plan Updates.

D Assessment

As described by this SAP, Assessed Property will be assessed for the special benefits conferred upon the property as a result the Authorized Improvements. **Table III-3** summarizes the \$7,699,808 in special benefit received by Assessed Property as a result of the Authorized Improvements and the PID formation and bond issuance costs.

Table III-3: Special Benefit Summary

Public Improvement	Improvement Costs
Total Authorized Improvements	\$6,495,313
Costs of Issuance	\$390,000
Underwriter's Discount	\$195,000
Capitalized Interest	\$131,862
Reserve Fund Deposit	\$457,633
Administrative Expenses	\$30,000
Total Special Benefit	\$7,699,808
Total Assessment	\$6,500,000
Excess Benefit	\$1,199,808

E Annual Assessments Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel and Lot; (ii) the Assessment for each Lot of Assessed Property, including any adjustments authorized by this Service and Assessment Plan and the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any. The Annual Service Plan Update shall reflect the actual interest on the PID Bonds on which the Annual Installments shall be paid plus Additional Interest, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the PID Bonds and Developer funds.

The Assessment Roll for Fiscal Year 2026-2027 is attached hereto as **Appendix A**. Pursuant to the PID Act, Annual Installments not paid by February 1, 2027 shall be deemed delinquent and subject to delinquency and interest charges.

APPENDIX A

City of Huntsville, Texas
Annual Service Plan Update (2026)
The Reserves Public Improvement District No. 1



ASSESSMENT ROLL

Parcel ID, All Levied Parcels						
76025	76026	76027	76028	76029	76030	76031
76032	76033	76034	76035	76036	76037	76038
76039	76040	76041	76042	76043	76044	76045
76046	76047	76048	76049	76050	76051	76052
76053	76054	76055	76056	76057	76058	76059
76060	76061	76062	76063	76064	76065	76066
76067	76068	76069	76070	76071	76072	76073
76074	76075	76076	76077	76078	76079	76080
76081	76082	76083	76084	76085	76086	76087
76088	76089	76090	76091	76092	76093	76094
76095	76096	76097	76098	76099	76100	76101
76102	76103	76104	76105	76106	76107	76108
76109	76110	76111	76112	76113	76114	76115
76116	76117	76118	76119	76120	76121	76122
76123	76124	76125	76126	76127	76128	76129
76130	76131	76132	76133	76134	76135	76136
76137	76138	76139	76140	76141	76142	76143
76144	76145	76146	76147	76148	76149	76150
76151	76152	76153	76154	76155	76156	76157
76158	76159	76160	76161	76162	76163	76164

Appendix A
The Reserves of Huntsville PID
Annual Installments per Lot

Tax Year (a)	PID Bonds			Prepayment and Delinquency Reserve	Administrative Expenses	Annual Installment (b)	Assessment Balance (c)
	Principal	Interest	Net Debt Service				
2026	\$785.71	\$2,477.59	\$3,263.30	\$114.18	\$222.94	\$3,600.43	\$45,671.43
2027	\$821.43	\$2,442.23	\$3,263.66	\$112.21	\$227.40	\$3,603.28	\$44,885.71
2028	\$857.14	\$2,405.27	\$3,262.41	\$110.16	\$231.95	\$3,604.52	\$44,064.29
2029	\$892.86	\$2,366.70	\$3,259.55	\$108.02	\$236.59	\$3,604.16	\$43,207.14
2030	\$928.57	\$2,326.52	\$3,255.09	\$105.79	\$241.32	\$3,602.20	\$42,314.29
2031	\$964.29	\$2,284.73	\$3,249.02	\$103.46	\$246.15	\$3,598.63	\$41,385.71
2032	\$1,014.29	\$2,232.90	\$3,247.19	\$101.05	\$251.07	\$3,599.31	\$40,421.43
2033	\$1,064.29	\$2,178.38	\$3,242.67	\$98.52	\$256.09	\$3,597.28	\$39,407.14
2034	\$1,121.43	\$2,121.18	\$3,242.61	\$95.86	\$261.21	\$3,599.68	\$38,342.86
2035	\$1,178.57	\$2,060.90	\$3,239.47	\$93.05	\$266.44	\$3,598.96	\$37,221.43
2036	\$1,242.86	\$1,997.55	\$3,240.41	\$90.11	\$271.77	\$3,602.28	\$36,042.86
2037	\$1,307.14	\$1,930.75	\$3,237.89	\$87.00	\$277.20	\$3,602.09	\$34,800.00
2038	\$1,371.43	\$1,860.49	\$3,231.92	\$83.73	\$282.75	\$3,598.40	\$33,492.86
2039	\$1,442.86	\$1,786.78	\$3,229.63	\$80.30	\$288.40	\$3,598.34	\$32,121.43
2040	\$1,521.43	\$1,709.22	\$3,230.65	\$76.70	\$294.17	\$3,601.52	\$30,678.57
2041	\$1,600.00	\$1,627.45	\$3,227.45	\$72.89	\$300.05	\$3,600.39	\$29,157.14
2042	\$1,685.71	\$1,541.45	\$3,227.16	\$68.89	\$306.05	\$3,602.11	\$27,557.14
2043	\$1,771.43	\$1,450.84	\$3,222.27	\$64.68	\$312.17	\$3,599.12	\$25,871.43
2044	\$1,864.29	\$1,355.63	\$3,219.91	\$60.25	\$318.42	\$3,598.58	\$24,100.00
2045	\$1,971.43	\$1,250.76	\$3,222.19	\$55.59	\$324.79	\$3,602.56	\$22,235.71
2046	\$2,078.57	\$1,139.87	\$3,218.44	\$50.66	\$331.28	\$3,600.38	\$20,264.29
2047	\$2,192.86	\$1,022.95	\$3,215.80	\$45.46	\$337.91	\$3,599.17	\$18,185.71
2048	\$2,314.29	\$899.60	\$3,213.88	\$39.98	\$344.67	\$3,598.53	\$15,992.86
2049	\$2,442.86	\$769.42	\$3,212.28	\$34.20	\$351.56	\$3,598.03	\$13,678.57
2050	\$2,585.71	\$632.01	\$3,217.72	\$28.09	\$358.59	\$3,604.40	\$11,235.71
2051	\$2,728.57	\$486.56	\$3,215.13	\$21.63	\$365.76	\$3,602.52	\$8,650.00
2052	\$2,878.57	\$333.08	\$3,211.65	\$14.80	\$373.08	\$3,599.53	\$5,921.43
2053	\$3,042.86	\$171.16	\$3,214.02	\$7.61	\$380.54	\$3,602.16	\$3,042.86
Totals	\$0.00	\$10,456.17	\$24,625.10	\$398.17	\$3,221.28	\$28,841.80	

(a) Tax Year 2026 corresponds to Fiscal Year 2026-2027. Assessments are due January 31 of 2027.

(b) Subject to change.

(c) Assumes principal has not yet been paid for the year.

APPENDIX B

City of Huntsville, Texas
Annual Service Plan Update (2026)
The Reserves Public Improvement District No. 1



BUYER DISCLOSURE FORM

**Texas Property Code Section 5.014(A) Notice
(Required Before Contract Execution)**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This Notice requirement does not apply to a transfer:

- 1) Under a court order or foreclosure;
- 2) By a trustee in bankruptcy;
- 3) To a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) By a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) By a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) From one co-owner to another co-owner of an undivided interest in the real property;
- 7) To or from a government entity; or,
- 8) Of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to the prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchases, subject to certain exception, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchase and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

**Texas Property Code Section 5.014(A) Notice
(Required Before Contract Execution)**

NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO HUNTSVILLE, TEXAS
THE RESERVES PUBLIC IMPROVEMENT DISTRICT

CONCERNING THE FOLLOWING PROPERTY

As the purchaser of the real property described above, you are obligated to pay assessments to Huntsville, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **The Reserves Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from Huntsville. The exact amount of each annual installment will be approved each year by Huntsville City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from Huntsville.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

**Texas Property Code Section 5.014(A) Notice
(Required Before Contract Execution)**

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Buyer (Print Name)	Signature	Date
--------------------	-----------	------

Buyer (Print Name)	Signature	
--------------------	-----------	--

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

Seller (Print Name)	Signature	Date
---------------------	-----------	------

Seller (Print Name)	Signature	Date
---------------------	-----------	------

Texas Property Code Section 5.0143 Notice
(Required At Closing And Must Be Recorded In Walker County Deed Of Records)

AFTER RECORDING RETURN TO:

NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO HUNTSVILLE, TEXAS
THE RESERVES PUBLIC IMPROVEMENT DISTRICT

CONCERNING THE FOLLOWING PROPERTY

As the purchaser of the real property described above, you are obligated to pay assessments to Huntsville, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **The Reserves Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from Huntsville. The exact amount of each annual installment will be approved each year by Huntsville City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from Huntsville.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

Texas Property Code Section 5.0143 Notice
(Required At Closing And Must Be Recorded In Walker County Deed Of Records)

Buyer (Print Name)	Signature	Date
--------------------	-----------	------

Buyer (Print Name)	Signature	
--------------------	-----------	--

STATE OF TEXAS §
 §
COUNTY OF _____§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20____

Notary Public, State of Texas

Texas Property Code Section 5.0143 Notice
(Required At Closing And Must Be Recorded In Walker County Deed Of Records)

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

Seller (Print Name)	Signature	Date
---------------------	-----------	------

Seller (Print Name)	Signature	
---------------------	-----------	--

STATE OF TEXAS §
 §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__

Notary Public, State of Texas

APPENDIX C

City of Huntsville, Texas
Annual Service Plan Update (2026)
The Reserves Public Improvement District No. 1



TOTAL AMORTIZATION

Appendix C
The Reserves of Huntsville PID
Annual Installments

Tax Year (a)	PID Bonds			Prepayment and Delinquency Reserve	Administrative Expenses	Annual Installment (b)	Assessment Balance (c)
	Principal	Interest	Net Debt Service				
2026	\$110,000.00	\$346,862.50	\$456,862.50	\$15,985.00	\$31,212.00	\$504,059.50	\$6,394,000.00
2027	\$115,000.00	\$341,912.50	\$456,912.50	\$15,710.00	\$31,836.24	\$504,458.74	\$6,284,000.00
2028	\$120,000.00	\$336,737.50	\$456,737.50	\$15,422.50	\$32,472.96	\$504,632.96	\$6,169,000.00
2029	\$125,000.00	\$331,337.50	\$456,337.50	\$15,122.50	\$33,122.42	\$504,582.42	\$6,049,000.00
2030	\$130,000.00	\$325,712.50	\$455,712.50	\$14,810.00	\$33,784.87	\$504,307.37	\$5,924,000.00
2031	\$135,000.00	\$319,862.50	\$454,862.50	\$14,485.00	\$34,460.57	\$503,808.07	\$5,794,000.00
2032	\$142,000.00	\$312,606.25	\$454,606.25	\$14,147.50	\$35,149.78	\$503,903.53	\$5,659,000.00
2033	\$149,000.00	\$304,973.75	\$453,973.75	\$13,792.50	\$35,852.78	\$503,619.03	\$5,517,000.00
2034	\$157,000.00	\$296,965.00	\$453,965.00	\$13,420.00	\$36,569.83	\$503,954.83	\$5,368,000.00
2035	\$165,000.00	\$288,526.25	\$453,526.25	\$13,027.50	\$37,301.23	\$503,854.98	\$5,211,000.00
2036	\$174,000.00	\$279,657.50	\$453,657.50	\$12,615.00	\$38,047.25	\$504,319.75	\$5,046,000.00
2037	\$183,000.00	\$270,305.00	\$453,305.00	\$12,180.00	\$38,808.20	\$504,293.20	\$4,872,000.00
2038	\$192,000.00	\$260,468.75	\$452,468.75	\$11,722.50	\$39,584.36	\$503,775.61	\$4,689,000.00
2039	\$202,000.00	\$250,148.75	\$452,148.75	\$11,242.50	\$40,376.05	\$503,767.30	\$4,497,000.00
2040	\$213,000.00	\$239,291.25	\$452,291.25	\$10,737.50	\$41,183.57	\$504,212.32	\$4,295,000.00
2041	\$224,000.00	\$227,842.50	\$451,842.50	\$10,205.00	\$42,007.24	\$504,054.74	\$4,082,000.00
2042	\$236,000.00	\$215,802.50	\$451,802.50	\$9,645.00	\$42,847.39	\$504,294.89	\$3,858,000.00
2043	\$248,000.00	\$203,117.50	\$451,117.50	\$9,055.00	\$43,704.34	\$503,876.84	\$3,622,000.00
2044	\$261,000.00	\$189,787.50	\$450,787.50	\$8,435.00	\$44,578.42	\$503,800.92	\$3,374,000.00
2045	\$276,000.00	\$175,106.25	\$451,106.25	\$7,782.50	\$45,469.99	\$504,358.74	\$3,113,000.00
2046	\$291,000.00	\$159,581.25	\$450,581.25	\$7,092.50	\$46,379.39	\$504,053.14	\$2,837,000.00
2047	\$307,000.00	\$143,212.50	\$450,212.50	\$6,365.00	\$47,306.98	\$503,884.48	\$2,546,000.00
2048	\$324,000.00	\$125,943.75	\$449,943.75	\$5,597.50	\$48,253.12	\$503,794.37	\$2,239,000.00
2049	\$342,000.00	\$107,718.75	\$449,718.75	\$4,787.50	\$49,218.18	\$503,724.43	\$1,915,000.00
2050	\$362,000.00	\$88,481.25	\$450,481.25	\$3,932.50	\$50,202.54	\$504,616.29	\$1,573,000.00
2051	\$382,000.00	\$68,118.75	\$450,118.75	\$3,027.50	\$51,206.59	\$504,352.84	\$1,211,000.00
2052	\$403,000.00	\$46,631.25	\$449,631.25	\$2,072.50	\$52,230.73	\$503,934.48	\$829,000.00
2053	\$426,000.00	\$23,962.50	\$449,962.50	\$1,065.00	\$53,275.34	\$504,302.84	\$426,000.00
Totals	\$0.00	\$10,456.17	\$24,625.10	\$398.17	\$3,221.28	\$28,841.80	

(a) Tax Year 2026 corresponds to Fiscal Year 2026-2027. Assessments are due January 31 of 2027.

(b) Subject to change.

(c) Assumes principal has not yet been paid for the year.



www.FinanceDTA.com

4514 COLE AVENUE, SUITE 600
DALLAS, TX 75205
PHONE: (800) 969-4DTA

Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 2.f.

Agenda Item: Consider authorizing the City Manager to purchase real property and an easement from the US Department of Agriculture (USDA), US Forest Services (USFS) lands for the N.B Davidson Wastewater Treatment Plant in the amount of \$252,538.00

Initiating Department/Presenter: Engineering

Presenter:

Kathlie Jeng-Bulloch, City Engineer

Recommended Motion: Move to authorize the City Manager to purchase $\pm$ 10.09 acres of land (\$252,250.00) and $\pm$ 0.23-acre maintenance easement (\$288.00) from US Forest Service Tract J-2002, part of US Forest Service Tract J-69 for the N.B. Davidson Wastewater Treatment Plant (NB Davidson WWTP). The total cost will be \$252,538.00, which will be part of the 2026 Bond within CIP Project NB Davidson WWTP of \$24.5M.

Strategic Initiative: Strategic Priority #4, Sustainable Infrastructure - Huntsville's infrastructure is the foundation on which every other priority rests. The City maintains, upgrades, and expands its roads, water, wastewater, drainage, and utility systems by planning today for the demands of tomorrow. Through strategic investment, smart technology, responsible stewardship of public resources, and strong partnerships with state and regional entities, Huntsville builds the physical backbone needed to support a growing, thriving community for generations to come.

Discussion: N.B. Davidson Wastewater Treatment Plant (WWTP) was originally constructed in 1971 with expansion in 1982 and 1994. The aeration basin shows signs of structural deterioration and is too shallow to allow more modern and energy efficient treatment designs. The existing surface aerators are a high maintenance and high operating cost item that causes operational challenges at the plant. Many other pieces of equipment in this plant are deteriorated, outdated and aging which need frequent maintenance, repairs, and replacement.

This major rehabilitation and expansion of the 2-hr peak flow treatment capacity from 4 MGD to 6.5 MGD will prevent the collection system from surcharging during wet weather events and will eliminate the increasing annual operation and maintenance costs and eliminate the risks of catastrophic failure and possible TCEQ violation penalties.

The existing WWTP is within USFS land and covered by the Special Use Permit (SUP) issued in 2021 and will expire 12/31/2031. This permit is not renewable; issuance of a new permit is at the sole discretion of the authorized officer.

The total purchase price of \$252,538.00 is from an Appraisal dated June 5, 2025 (Appraisal Report is attached). This price includes 10.09 acres of land and 0.23-acre Maintenance Easement (5' in width lying outside the chain-link security fence). The transfer of these properties will be via Quitclaim Deed (QCD). A copy of the Quitclaim Deed is attached. This type of Deed conveys all rights the USFS has in the property without any warranty of title.

The source of funding is from a part of the 2026 Bond within CIP Projects, NB Davidson WWTP Phase 1 Construction (\$24.5 M). The Phase 2 and 3 construction costs will be sought in the coming years, and the anticipated source will be by revenue bonds and maybe more grants.

A copy of the survey plat of the 10.09 acres, and 5' Maintenance Easement for WWTP site are included, which will be included to the QCD to legally describe the WWTP site.

An aerial view and an overall view maps are included showing the existing treatment facilities and proximity to the Elkins Lake subdivision and City Limits.

Previous Council Action: N/A

Financial Implications: Item is budgeted: In the amount of \$252,538.00

Approvals:

Kathlie Jeng-Bulloch
Ricardo Villagrand
Lance Hall
Scott Swigert
Robby Chapman
Sharon Schultz
Kristy Doll

Associated Information:

1. Appraisal Report
2. Land NBD WWTP USDA PURCHASE - FINAL Ex A-2
3. NBD WWTP USDA MAINTENANCE ESMT - FINAL
4. NBD WWTP US Forest Service 40' Easement - FINAL
5. OGC Approved Quitclaim Deed_NB Davidson Wastewater Treatment Plant_08.26.26_RC 8-26-2026 (1)
6. N.B. Davidson WWTP Aerial View
7. N.B. Davidson WWTP Vicinity Map - Markup

**AN APPRAISAL REPORT OF
A 10.09-ACRE TRACT OF LAND AND
A 0.23-ACRE MAINTENANCE EASEMENT
LOCATED AT THE SOUTHWEST END OF CAMELLIA
DRIVE, SOUTH OF WEST GREEN BRIAR DRIVE,
HUNTSVILLE, WALKER COUNTY, TEXAS 77340**

**TRACT: J-2002
CITY OF HUNTSVILLE, STA CONVEYANCE OF
WASTEWATER TREATMENT PLANT**

Prepared For:

**United States Department of Agriculture
Forest Service – Southern Region
1720 Peachtree Road, NW
Atlanta, Georgia 30309**

Prepared By:

**Whitney and Associates
Matthew C. Whitney, MAI
2040 North Loop 336 West, Suite 305
Conroe, Texas 77304**

**Effective “As Is” Date: May 15, 2025
Date of Property Viewing: May 15, 2025
Report Date: June 5, 2025**



HITNEY & ASSOCIATES
Real Estate Valuation and Consulting

June 5, 2025

United States Department of Agriculture
Forest Service – Southern Region
1720 Peachtree Road, NW
Atlanta, Georgia 30309

To Whom It May Concern:

RE: An appraisal of a 10.09-acre tract of land and a 0.23-acre maintenance easement located at the southwest end of Camellia Drive, south of West Green Briar Drive, Walker County, Texas 77340

As requested, I have prepared an appraisal of the subject property to arrive at an opinion of market value. The subject property may be legally described as:

U.S. Forest Service Tract J-2002 - ±10.09 acres of land being part of U.S. Forest Service Tract J-69 on which the City of Huntsville's N.B. Davidson Wastewater Treatment Plant sits, a ±0.23-acre maintenance easement, and out of the San Antonio & Mexican Gulf Railroad Co. Survey, Abstract 535, Walker County, Texas.

The survey provided indicated the subject and larger parcel as an ±10.09-acre site. The subject property is identified as the U.S. Forest Service Tract J-2002 and currently utilized for the City of Huntsville's N.B. Davidson Wastewater Treatment Plant. For purposes of this appraisal, the existing improvements were not considered. Therefore, the subject property is considered a vacant tract of land located at the southwest end of Camellia Drive, south of West Green Briar Drive, Walker County, Texas 77340. The site size utilized throughout this report is based on a preliminary survey provided. A preliminary survey prepared by the City of Huntsville, Engineering – Survey Department was provided to the appraiser by the Client.

The accompanying report, of which this letter is a part, describes the site, purpose and method of appraisal and the data considered in reaching our final value conclusion. An appraisal was performed on the subject. This appraisal has been prepared under the Appraisal Report Option of the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Foundation, the U.S. Forest Service Manual 5410.3 and attached specifications, and the 49 CFR Part 24.103 (Uniform Appraisal Standards for Federal Land Acquisition (UASFLA), or “Yellow Book”).

The purpose of the appraisal is to estimate the market value of the real property herein described.

After completing an analysis of the subject property and the fee simple estate and easement value, as reflected in the attached report, it is our opinion the market value for the subject property, as of May 15, 2025, is:

MARKET VALUE	
Larger Parcel	\$252,250
Maintenance Easement	\$288

Extraordinary Assumptions:

- The subject property is unaffected by hazardous material and, if found to be so affected, the property shall be cleaned up or the effect of the hazardous substances or petroleum products shall be remediated prior to conveyance.
- The use of any extraordinary assumptions might affect the assignment results.

Hypothetical Conditions:

- Forest Service Appraisal Handbook 5409.12 Chapter 40 Section C-2.2(b)(2) – Part II – Factual Data, Item (3)(h) of the Basic Specifications for Real Property appraisals states “Federal lands must be appraised under the hypothetical condition that they are already in non-Federal ownership and zoned consistent with similar non-Federal properties in the market area”. Therefore, it will be necessary to include the aforementioned hypothetical condition in completing the appraisal assignment.
- The subject property is currently under a Special Use Permit with the City of Huntsville, Texas and currently includes the City of Huntsville N.B. Davidson Wastewater Treatment Plant with associated water and sewer lines. The subject property must be appraised under the hypothetical condition that it is not subject to the Special Use Permit and vacant and available for its highest and best use. It must be appraised as if the improvements owned by the City of Huntsville, specifically the wastewater treatment plant and associated water and sewer lines, do not exist.
- The use of this hypothetical condition might affect the assignment results.

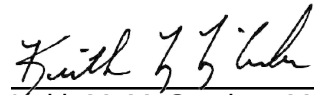
June 5, 2025
Page – III –

The attached definitions, data, discussion, analysis, certificate, and limiting conditions are provided and are an integral part of this report. This letter is to transmit the attached report, which reflects my reasoning for the value conclusion reached. Please call if I may be of further assistance to you in this matter.

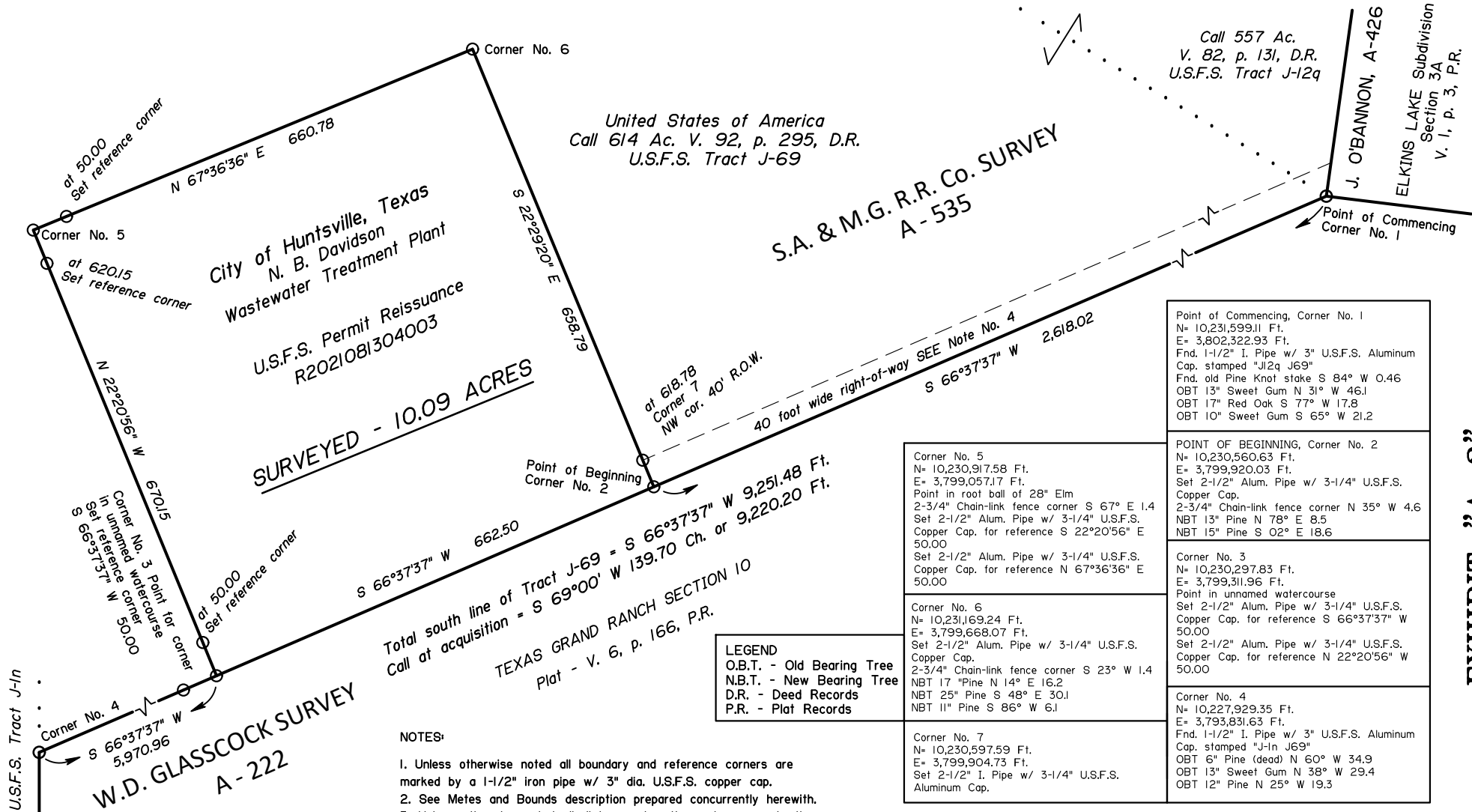
Respectfully Submitted,
WHITNEY & ASSOCIATES



Matthew C. Whitney, MAI
Texas State Certified General
Real Estate Appraiser TX-1326491-G
June 5, 2025



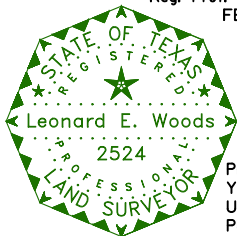
Keith M. McCumber, MAI, SRA, AI-GRS, SR/WA, R/W- AC, ASA – Real Estate
Texas State Certified General
Real Estate Appraiser TX-1334227-G
June 5, 2025



I, Leonard E. Woods, certify that this plat represents a survey made on the ground under my direct supervision and that all corners, found or set, are monumented as shown hereon.

Leonard E. Woods

Leonard E. Woods
Reg. Prof. Land Surveyor No. 2524
FEBRUARY 2026



City of Huntsville
Engineering - Surveying
448 State Hwy. 75 North
Huntsville, Texas 77320

Project No. 21-10-07
Y:\SURVEYORS\PROJECTS\COH24\PS
USDA LAND PURCHASE\NBD USDA
PURCHASE - FINAL.dwg

NOTES:

1. Unless otherwise noted all boundary and reference corners are marked by a 1-1/2" iron pipe w/ 3" dia. U.S.F.S. copper cap.
2. See Metes and Bounds description prepared concurrently herewith.
3. Unless otherwise noted all distances to witness trees are to the center of tree at Breast Height.
4. This 40 foot wide right-of-way is covered by U.S.F.S. Permit No. R2021081304003 and encompasses a 16 foot wide asphalt private road used for ingress and egress. An 18" diameter ductile sewer force main is situated along the south side of the road and a 2" PVC potable water line is situated on its north side.

Coordinate System, Basis of Bearings and Linear Units:

Coordinates and bearings hereon are referred to the Texas Coordinate System of 1983, Central Zone, and based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (2011) coordinates of N= 10,263,882.90 Feet and E= 3,787,031.29 Feet.

Distances shown hereon are U. S. Survey Feet in "GROUND or Surface" units and may be converted to "NAD 83 GRID" units by multiplying by a combined scale factor of 0.99988.

The convergence angle at the Point of Beginning is 2°27'47.2".

PLAT OF SURVEY OF 10.09 ACRES OF LAND OUT OF U.S. FOREST SERVICE TRACT J-69 CITY OF HUNTSVILLE S.A. & M.G. R.R. Co. SURVEY, A-535 WALKER COUNTY, TEXAS

FEBRUARY 2026



I, Leonard E. Woods, certify that this plat represents a survey made on the ground under my direct supervision and that all corners, found or set, are monumented as shown hereon.

Leonard E. Woods

Leonard E. Woods
Reg. Prof. Land Surveyor No. 2524
February 2026

City of Huntsville
Engineering - Surveying
448 State Hwy. 75 North
Huntsville, Texas 77320



Project No. 21-10-07
Y:\SURVEYORS\
PROJECTS\COH24\PS\USDA
PURCHASE\NBD W.W.T.P. U.S.
Forest Service 40' Easement -
FINAL.dwg

Call 557 Ac.
V. 82, p. 131, D.R.
U.S.F.S. Tract J-12q

Corner No. 8
N= 10,231,645.47 Ft.
E= 3,802,329.39 Ft.
Set 1-1/2" I. Pipe w/ 3-1/4"
U.S.F.S. Aluminum Cap.

Corner No. 9
N= 10,235,352.16 Ft.
E= 3,802,845.71 Ft.
Fnd. 3" Class A monument stamped "U.S.F.S.
J-386"
OBT 18" Pine stump N 57° W 22.4
OBT 27" Pine N 08° E 7.6
OBT 22" Pine EAST 9.4
OBT 20" Pine S 54° W 10.0

Corner No. 9
S 07°55'48" W 3,789.74
Call at acquisition S 09°45' W 57.50 Ch. - 3,795.0 FT.
J. O'BANNON, A-426
ELKINS LAKE Subdivision
Section 3A V. 1, p. 3, P.R.

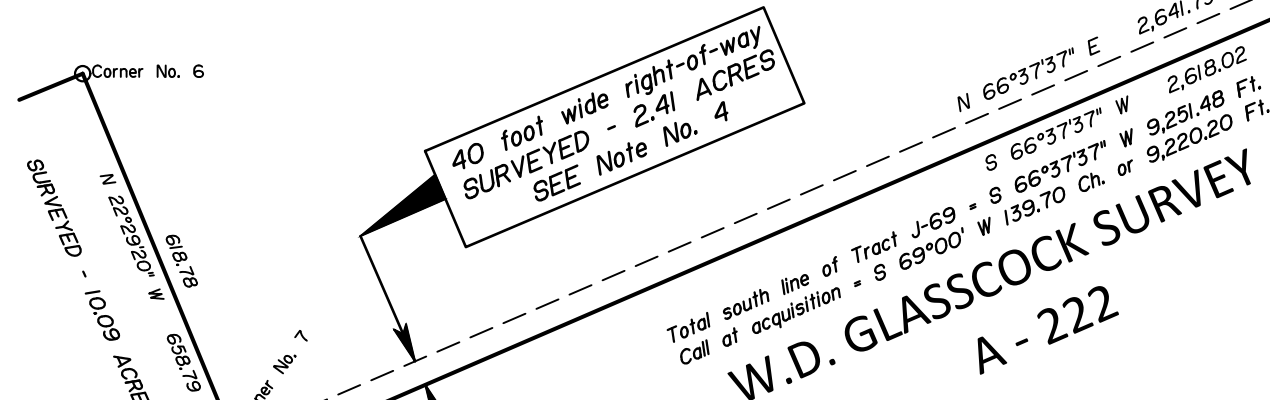
United States of America
Call 614 Ac. V. 92, p. 295, D.R.
U.S.F.S. Tract J-69

Coordinate System, Basis of Bearings and Linear Units:

Coordinates and bearings hereon are referred to the Texas Coordinate System of 1983, Central Zone, and based on the position of National Geodetic Survey (formerly known as the U. S. Coast & Geodetic Survey) Primary Airport Control Station (PACS) monument designated "T39 A" having published NAD 83 (2011) coordinates of N= 10,263,882.90 Feet and E= 3,787,031.29 Feet.

Distances shown hereon are U. S. Survey Feet in "GROUND" units and may be converted to "NAD 83 GRID" units by multiplying by a combined scale factor of 0.99988.

The convergence angle at Corner 2 is 2°27'47.2".



Corner No. 6
N= 10,231,169.24 Ft.
E= 3,799,668.07 Ft.
Set 1-1/2" I. Pipe w/ 3-1/4" U.S.F.S. Copper Cap.
2-3/4" Chain-link fence corner S 23° W 1.4
NBT 17" Pine N 14° E 16.2
NBT 25" Pine S 48° E 30.1
NBT 11" Pine S 86° W 6.1

Corner No. 4
N= 10,227,929.35 Ft.
E= 3,793,831.63 Ft.
Fnd. 1-1/2" I. Pipe w/ 3" U.S.F.S. Aluminum Cap. stamped "J-12q J69"
OBT 6" Pine (dead) N 60° W 34.9
OBT 13" Sweet Gum N 38° W 29.4
OBT 12" Pine N 25° W 19.3

Corner No. 7
N= 10,230,597.59 Ft.
E= 3,799,904.73 Ft.
Set 1-1/2" I. Pipe w/ 3-1/4" U.S.F.S. Aluminum Cap.

NOTES:

1. Unless otherwise noted all corners are marked by a 1-1/2" iron pipe w/ 3-1/4" dia. U.S.F.S. copper or aluminum cap.
2. See Metes and Bounds description prepared concurrently herewith.
3. Unless otherwise noted all distances to witness trees are to the center of tree at Breast Height.
4. This survey of the 40 foot wide right-of-way is made in conjunction with a survey of 10.09 acres both are covered by U.S.F.S. Permit No. R2021081304003. The 40 foot wide right-of-way encompasses a 16 foot wide asphalt private road used for ingress and egress. An 18" diameter ductile sewer force main is situated along the south side of the road and a 2" PVC potable water line is situated on its north side.

S.A. & M.G. R.R. Co. SURVEY
A - 535

W.D. GLASSCOCK SURVEY
A - 222

Point of Beginning, Corner No. 1
N= 10,231,599.11 Ft.
E= 3,802,322.93 Ft.
Fnd. 1-1/2" I. Pipe w/ 3" U.S.F.S. Alum Cap. stamped "J-12q J69"
Fnd. old Pine Knot stake S 84° W 0.46
OBT 13" Sweet Gum N 31° W 46.1
OBT 17" Red Oak S 77° W 17.8
OBT 10" Sweet Gum S 65° W 21.2

LEGEND
O.B.T. - Old Bearing Tree
N.B.T. - New Bearing Tree
D.R. - Deed Records
P.R. - Plat Records

Corner No. 2
N= 10,230,560.63 Ft.
E= 3,799,920.03 Ft.
Set 1-1/2" I. Pipe w/ 3-1/4" U.S.F.S. Copper Cap.
2-3/4" Chain-link fence corner N 35° W 4.6
NBT 13" Pine N 78° E 8.5
NBT 15" Pine S 02° E 18.6

PLAT OF SURVEY OF
2.41 ACRES OF LAND
OUT OF
U.S. FOREST SERVICE TRACTS
J-69 AND J-12q
CITY OF HUNTSVILLE
S.A. & M.G. R.R. Co. SURVEY, A-535
WALKER COUNTY, TEXAS
FEBRUARY 2026



EXHIBIT "C-2"



This Instrument Prepared By:

Christopher Egan
USDA Office of the General Counsel
101 S. Main Street
Temple, TX 76501

Return Address:

USDA Forest Service
Attn: Lands, Minerals and Uses
1720 Peachtree Rd, NW, Suite 792S
Atlanta, GA 30309

After Recording, Return To:

City of Huntsville, Texas
Attn: City Secretary
1212 Avenue M
Huntsville, Texas 77340

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.

QUITCLAIM DEED

THIS QUITCLAIM DEED (“Deed”) is made as of the ____ day of September, 2026, by and between:

GRANTOR: UNITED STATES OF AMERICA, acting by and through the Forest Service (FS), Department of Agriculture (USDA); Address: 1720 Peachtree Rd, NW, Suite 792S, Atlanta, Georgia 30309

GRANTEE: CITY OF HUNTSVILLE, TEXAS; Address: 1212 Avenue M, Huntsville, Texas 77340

WHEREAS, Grantor is authorized to convey the Property described herein under the Small Tracts Act of January 12, 1983 (96 Stat. 2535; 16 U.S.C. 521c-i), as amended, and all applicable federal law;

WHEREAS, Grantee desires to acquire the Property for public purposes, and Grantor has determined that such conveyance is in the public interest;

NOW, THEREFORE, for and in consideration of the sum of **TWO HUNDRED FIFTY-TWO THOUSAND FIVE HUNDRED THIRTY-EIGHT AND 00/100 DOLLARS (\$252,538.00)** and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby **QUITCLAIM, SELL, CONVEY, AND TRANSFER** unto Grantee, subject to the exceptions, reservations, restrictions, covenants, and conditions hereinafter set forth, all of Grantor's right, title, and interest, if any, in and to the following described real property situated in Walker County, Texas, known locally as the N.B. Davidson Wastewater Treatment Plant, and accompanying maintenance easement, being more particularly described in **Exhibits A-1 and B-1**, attached hereto and incorporated herein by reference (the "Property").

This conveyance is made **subject to** any and all existing leases, conditions, restrictions, covenants, reservations, and easements, recorded or unrecorded, including but not limited to rights-of-way for public roads, highways, streets, railroads, electrical transmission lines, waterlines, pipelines, public utilities, encroachments, rights of ingress and egress, rights of parties in possession, any unfiled mechanics' and materialmen's liens, and any matters that a current survey and inspection of the Property would reveal.

(a) Grantor conveys, and Grantee acknowledges and agrees that it accepts, the Property **"AS IS, WHERE IS,"** with all faults, without warranty, express or implied, with any and all latent and patent defects. Grantee acknowledges that it has inspected the physical condition of the Property to the extent it deemed necessary, including all improvements thereon, and accepts title to the same "as is," "where is," in its existing condition. Grantee acknowledges that it has not relied upon any representation, warranty, statement, or other assertion of the United States of America, as Grantor, including its agencies or any official, agent, representative, or employee thereof, with respect to the Property's condition. Grantee has relied solely on its own examination of the Property, is fully satisfied with the Property, and accepts any liabilities or costs arising in connection with the Property, including, but not limited to, any costs or liabilities pertaining to any environmental conditions on the Property. Except as set forth in the CERCLA covenant below, Grantor disclaims any and all express or implied warranties and makes no warranties of title, habitability, merchantability, suitability, fitness for any purpose, or any other warranty whatsoever.

(b) No employee or agent of Grantor is authorized to make any representation or warranty as to the quality or condition of the Property, merchantability, suitability, or fitness of the Property for any use whatsoever, known or unknown to Grantor, or compliance with any environmental protection, pollution, or land use laws, rules, regulations, orders, or requirements, including, but not limited to, those pertaining to the handling, generating, treating, storing, or disposing of any hazardous waste or substance. In no event shall Grantor be responsible or liable for latent or patent defects or faults, if any, in the Property or for remedying or repairing the same, including, without limitation, defects related to asbestos or asbestos-containing materials, lead, lead-based paint, underground storage tanks, mold, radon, or hazardous or toxic materials, chemicals, or waste, or for constructing or repairing any streets, utilities, or other improvements shown on any plat of the Property.

(c) Nothing within the “as is, where is” provisions shall be construed to modify or negate Grantor’s obligations under the CERCLA covenant or any other statutory obligations.

Pursuant to Section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 U.S.C. § 9620(h), Grantor warrants that all remedial action necessary to protect human health and the environment with respect to any hazardous substances remaining on the Property has been taken before the date of this conveyance. Grantor further warrants that it shall take any additional response action found to be necessary after the date of this conveyance regarding hazardous substances located on the Property on the date of this conveyance.

1. This covenant shall not apply:

(a) in any case in which Grantee, its successors or assigns, or any successor in interest to the Property or part thereof is a Potentially Responsible Party (“PRP”) with respect to the Property immediately prior to the date of this conveyance; or

(b) to the extent that such additional response action or part thereof found to be necessary is the result of an act or failure to act of the Grantee, its successors or assigns, or any party in possession after the date of this conveyance that either:

- i. results in a release or threatened release of a hazardous substance that was not located on the Property on the date of this conveyance; or
- ii. causes or exacerbates the release or threatened release of a hazardous substance the existence and location of which was known and identified to the applicable regulatory authority as of the date of this conveyance; or
- iii. in the case of a hazardous substance previously unknown by Grantor and Grantee as of the date of this conveyance but which is hereafter discovered by Grantee, its successors or assigns, or any party in possession, and where after such discovery, Grantee, its successors or assigns, or any party in possession thereafter causes or exacerbates a release or threatened release of such hazardous substance.

2. In the event Grantee, its successors or assigns, seeks to have Grantor conduct any additional response action, and as a condition precedent to Grantor incurring any

additional cleanup obligation or related expenses, Grantee, its successors or assigns, shall provide Grantor at least forty-five (45) days' written notice of such a claim. Such notice must include credible evidence that:

- (a) the associated contamination existed prior to the date of this conveyance; and
 - (b) the need to conduct any additional response action or part thereof was not the result of any act or failure to act by Grantee, its successors or assigns, or any party in possession.
3. Grantor reserves a right of access to all portions of the Property for environmental investigation, remediation, or other corrective action. This reservation includes the right of access to and use of available utilities at reasonable cost to Grantor. These rights shall be exercisable in any case in which a remedial action, response action, or corrective action is found to be necessary after the date of this conveyance, or in which access is necessary to carry out a remedial action, response action, or corrective action on adjoining property. Pursuant to this reservation, the United States of America, and its respective officers, agents, employees, contractors, and subcontractors shall have the right (upon reasonable advance written notice to the record title owner) to enter upon the Property and conduct investigations and surveys, including drilling, test-pitting, borings, data and records compilation, and other activities related to environmental investigation, and to carry out remedial or removal actions as required or necessary, including but not limited to the installation and operation of monitoring wells, pumping wells, and treatment facilities. Any such entry, including such activities, responses, or remedial actions, shall be coordinated with the record title owner and shall be performed in a manner that minimizes interruption with activities of authorized occupants.

TO HAVE AND TO HOLD the lands and premises described herein as the Property unto the said Grantee, its successors and assigns, in fee simple, so that neither the said Grantor nor its assigns shall at any time claim or demand any right, title, or interest to the said hereinbefore described Property hereby conveyed or its appurtenances.

This conveyance is made **subject to** all matters of record affecting the Property; all rights, titles, and interests, if any, in oil, gas, and other minerals, whether reserved, conveyed, or outstanding; any and all existing easements, rights-of-way, and encumbrances, whether of record or not; any and all matters that would be disclosed by a current and accurate survey and inspection of the Property.

The undersigned Grantor certifies that the total consideration paid for this conveyance is \$252,538.00.

The undersigned Grantee hereby accepts this Deed and by such acceptance agrees to its terms and conditions.

IN WITNESS WHEREOF, the UNITED STATES OF AMERICA has caused these presents to be executed in its name and on its behalf on this the ____ day of September, 2026.

GRANTOR:

UNITED STATES OF AMERICA

Acting by and through the USDA Forest Service

By: _____

Forrest Decker, Director

Lands, Minerals and Uses

Southern Region 8, Forest Service

United States Department of Agriculture

[Georgia Notary Acknowledgment – Grantor]

STATE OF GEORGIA

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared **Forrest Decker**, Director, Lands, Minerals and Uses, Forest Service, Southern Region 8, Department of Agriculture, Atlanta, Georgia, known to me (or proved to me on the oath of _____ or through _____ [description of identity card or other document]) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the duly authorized representative of the UNITED STATES OF AMERICA.

Given under my hand and seal of office this ____ day of September, 2026.

Notary Public, State of Georgia

My commission expires: _____

[SEAL]

GRANTEE:

CITY OF HUNTSVILLE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

[Texas Notary Acknowledgment – Grantee]

STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on the ____ day of September, 2026, by
_____, as _____ of the CITY OF
HUNTSVILLE, TEXAS, on behalf of said municipality.

Notary Public, State of Texas

My commission expires: _____

[SEAL]

[Exhibit “A-1” – Legal Description]

EXHIBIT “A-1”

[Legal Description Placeholder]

[INSERT CORRECT METES AND BOUNDS OR LOT/BLOCK LEGAL DESCRIPTION FOR WALKER COUNTY, TEXAS, AS PROVIDED BY SURVEYOR OR PRIOR DEED. THIS DESCRIPTION MUST MATCH THE MOST RECENT RECORDED INSTRUMENT.]

[As required by Texas Property Code and Walker County Clerk. Legal description must be copied verbatim from prior recorded deed or current survey. See Texas Property Code § 11.003 and local recording rules.]

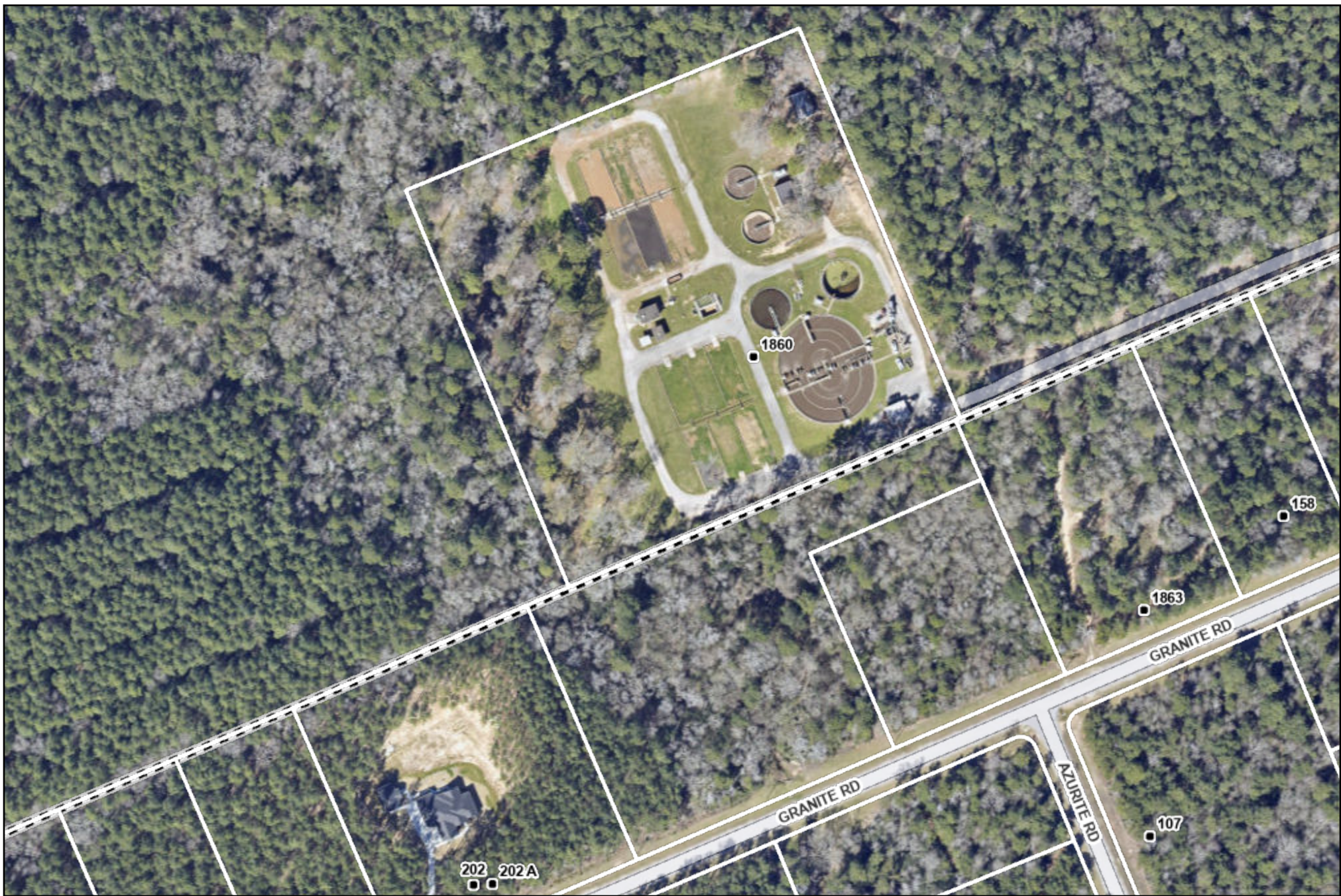
[Exhibit “B-1” – Legal Description]

EXHIBIT “B-1”

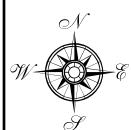
[Legal Description Placeholder]

[INSERT CORRECT METES AND BOUNDS OR LOT/BLOCK LEGAL DESCRIPTION FOR WALKER COUNTY, TEXAS, AS PROVIDED BY SURVEYOR OR PRIOR DEED. THIS DESCRIPTION MUST MATCH THE MOST RECENT RECORDED INSTRUMENT.]

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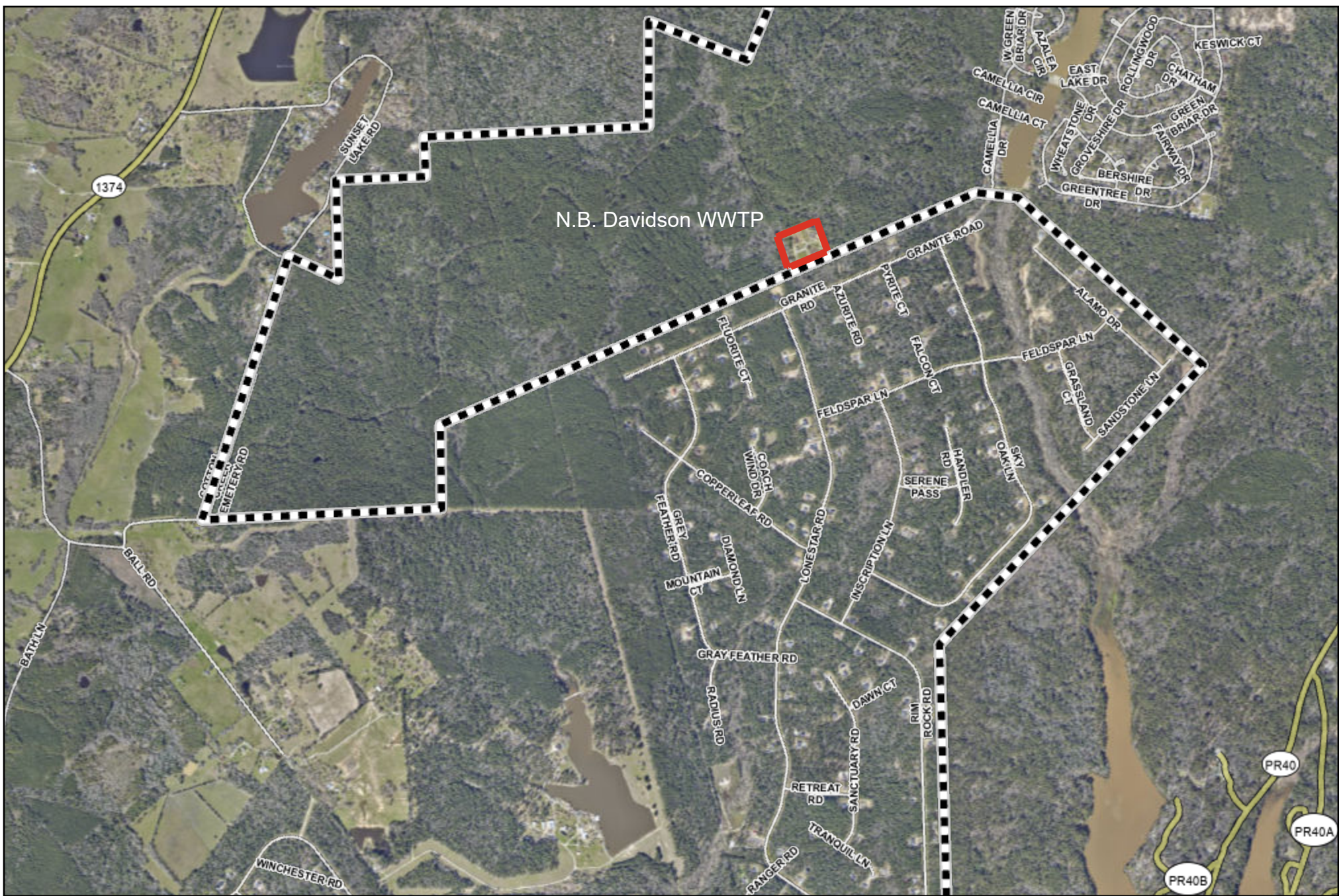
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On 8.5 x 11 inch Print
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On Any Print Size

Coordinate System: NAD 1983 StatePlane Texas Central FIPS 4203 Feet

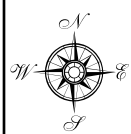


CITY OF HUNTSVILLE, TX
ENGINEERING DEPARTMENT / GIS DIVISION
N. B. DAVIDSON WWTP AERIAL VIEW

CREATED DATE: 9/1/2026
CITY SERVICE CENTER
448 STATE HIGHWAY 75
HUNTSVILLE, TX, 77320
Map Created At:
www.huntsvilletx.gov/gis



The City of Huntsville, Texas or its employees gives NO warranty, expressed or implied, as to the accuracy, reliability, or completeness of these data. See the full GIS Data Disclaimer at: www.huntsvilletx.gov/438/City-Maps



1:24,000
On 8.5 x 11 inch Print
0 500 1,000 2,000
FEET
On Any Print Size

Coordinate System: NAD 1983 StatePlane Texas Central FIPS 4203 Feet



CITY OF HUNTSVILLE, TX
ENGINEERING DEPARTMENT / GIS DIVISION
N. B. DAVIDSON WWTP VICINITY MAP

CREATED DATE: 9/1/2026
CITY SERVICE CENTER
448 STATE HIGHWAY 75
HUNTSVILLE, TX, 77320
Map Created At:
www.huntsvilletx.gov/gis



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 2.g.

Agenda Item: Consider adopting Ordinance No. 2026-27, the Fourth Supplemental Ordinance to the Master Ordinance Establishing the City of Huntsville, Texas Utility System Revenue Financing Program to authorize the City's Water and Wastewater System Revenue Bonds, Series 2026 in an expected amount of approximately \$37,535,000.

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Recommended Motion: Move to adopt Ordinance No. 2026-27, the Fourth Supplemental Ordinance to the Master Ordinance Establishing the City of Huntsville, Texas Utility System Revenue Financing Program to issue the Series 2026 Wastewater System Revenue Bonds.

Strategic Initiative: Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

Discussion: Ordinance 2026-27 authorizes the issuance of the Series 2026 Wastewater Revenue Bonds issued pursuant to the Master Ordinance. This Ordinance contains specific terms and/or provisions of these Series 2026 Wastewater Revenue Bonds including the principal amortization, interest rates, any reserve fund requirements, designation of paying agent, federal tax covenants pursuant to Internal Revenue Service requirements for tax-exempt obligations and continuing disclosure covenants pursuant to Securities and Exchange Commission requirements. Various amounts (including blanks) in this Ordinance, as provided to Council on September 10, 2026, will be revised based on the actual sale of the bonds the morning of September 15, 2026. Council will receive an updated version of the Ordinance on the evening of September 15, 2026, for approval with amounts and terms of the actual sale of the Bonds.

Previous Council Action: None

Financial Implications: Issuing these Series 2026 Wastewater System Revenue Bonds will provide funds for wastewater projects totaling approximately \$37,535,000 and cover issuance costs and provide for any Reserve Fund requirements (if needed).

Approvals:

Lance Hall

Brian Beasley

Scott Swigert

Robby Chapman

Sharon Schultz
Kristy Doll

Associated Information:

1. Ordinance 2026-27 Fourth Supplemental Ordinance (1)

ORDINANCE NO. 2026-27

**FOURTH SUPPLEMENTAL ORDINANCE TO THE
MASTER ORDINANCE ESTABLISHING THE
CITY OF HUNTSVILLE, TEXAS
UTILITY SYSTEM REVENUE FINANCING PROGRAM**

ADOPTED SEPTEMBER 15, 2026

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EXHIBIT A - Definitions
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ORDINANCE NO. 2026-27

**FOURTH SUPPLEMENTAL ORDINANCE TO THE
MASTER ORDINANCE ESTABLISHING THE
CITY OF HUNTSVILLE, TEXAS
UTILITY SYSTEM REVENUE FINANCING PROGRAM**

THE STATE OF TEXAS §

CITY OF HUNTSVILLE §

WHEREAS, on May 1, 2018, the City Council of the City of Huntsville, Texas (the "City"), adopted a "Master Ordinance Establishing the City of Huntsville, Texas Utility System Revenue Financing Program" (referred to herein as the "Master Ordinance"); and

WHEREAS, in order to enable the City to provide for the financing of the utility system projects authorized by Chapter 1502, Texas Government Code, as amended, and any other applicable provisions of State law, the Master Ordinance establishes a revenue financing program pursuant to which the City can issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security, as hereinafter defined; and

WHEREAS, for such purposes, the City deems it necessary to issue Parity Debt, as hereinafter defined, pursuant to this "Fourth Supplemental Ordinance to the Master Ordinance establishing the City of Huntsville, Texas Utility System Revenue Financing Program" (the "Fourth Supplement"); and

WHEREAS, the City further finds and determines that all terms and conditions for the issuance of the bonds herein authorized as Parity Debt have been or can be met and satisfied; and

WHEREAS, the bonds authorized to be issued by this Fourth Supplement are to be issued and delivered pursuant to the Enabling Act, as hereinafter defined, and other applicable State laws.

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

**ARTICLE I
BONDS ISSUED UNDER UTILITY SYSTEM REVENUE FINANCING PROGRAM**

Section 1.01. DEFINITIONS. (a) Definitions. The capitalized terms used herein (except in the FORM OF BONDS set forth in Exhibit B hereto) and not otherwise defined shall have the meanings given in the Master Ordinance or in Exhibit A to this Fourth Supplement. The recitals to this Fourth Supplement and the exhibits hereto are incorporated herein and made a part hereof for all purposes.

(b) Construction of Terms. If appropriate in the context of this Fourth Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, words of the masculine, feminine, or neuter gender shall be considered to include the other genders, and words importing persons shall include firms, associations, and corporations.

Section 1.02. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT. (a) Fourth Supplement. By adoption of the Master Ordinance, the City has established the City of Huntsville, Texas Utility System Revenue Financing Program for the purpose of enabling the City to provide for the financing of utility system projects authorized by the Enabling Act and any other applicable provisions of State law pursuant to which the City may issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security. This Fourth Supplement provides for the authorization, form, characteristics, provisions of payment and redemption, and security of the Bonds. This Fourth Supplement is subject to the terms of the Master Ordinance and the terms of the Master Ordinance are incorporated herein by reference and as such are made a part hereof for all purposes.

(b) Bonds Are Parity Debt. As required by Section 7 of the Master Ordinance governing the issuance of Parity Debt such as the Bonds, the City hereby finds that, upon the issuance of the Bonds, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. The Bonds are hereby declared to be Parity Debt under the Master Ordinance.

Section 1.03. FOURTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Fourth Supplement shall be deemed to be and shall constitute a contract between the City and the Owners from time to time of the Bonds, and the pledge made in this Fourth Supplement by the City and the covenants and agreements set forth in this Fourth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Owners from time to time of the Bonds, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the other Bonds by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Fourth Supplement and the Master Ordinance.

Section 1.04. LIMITATION OF BENEFITS WITH RESPECT TO THIS FOURTH SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Fourth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Fourth Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Fourth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to

be and shall be for and inure to the sole and exclusive benefit of the City, the Owners, and the Paying Agent/Registrar as herein and therein provided.

ARTICLE II BOND AUTHORIZATION AND SPECIFICATIONS

Section 2.01. AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. The Bonds designated "**CITY OF HUNTSVILLE, TEXAS WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2026**" (the "Bonds") are hereby authorized to be issued pursuant to this Fourth Supplement in the aggregate principal amount of \$37,535,000* for the purpose of (i) constructing, acquiring, improving and equipping the City's waterworks and sewer system facilities including replacing and upsizing various trunk sewer lines and replacing various sewer line segments together with engineering, legal and other related costs, and (ii) paying the costs associated with the issuance of the Bonds. The Bonds are authorized pursuant to authority conferred by and in conformity with State law, particularly the provisions of the Enabling Act.

The Bonds will be in the form of Current Interest Bonds as provided in Section 2.02 and the FORM OF BONDS in Exhibit B to this Fourth Supplement.

Section 2.02. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS. (a) Terms of Bonds. The Bonds, there shall initially be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, in the form of Current Interest Bonds, numbered consecutively from R-1 upward, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in Authorized Denominations, maturing and payable serially on February 15 in each of the years and in the principal amounts respectively as forth in the following schedule:

YEAR	AMOUNT	YEAR	AMOUNT
2027	\$855,000	2042	\$1,200,000
2028	605,000	2043	1,260,000
2029	635,000	2044	1,310,000
2030	670,000	2045	1,365,000
2031	700,000	2046	1,425,000
2032	735,000	2047	1,485,000
2033	775,000	2048	1,550,000
2034	815,000	2049	1,620,000
2035	855,000	2050	1,695,000
2036	895,000	2051	1,770,000
2037	940,000	2052	1,850,000
2038	985,000	2053	1,935,000
2039	1,035,000	2054	2,020,000
2040	1,090,000	2055	2,110,000
2041	1,145,000	2056	2,205,000

* Subject to change.

(b) In General. The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS set forth in Exhibit B to this Fourth Supplement.

(c) Interest. The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS set forth in Exhibit B to this Fourth Supplement to their respective dates of maturity or redemption at the rates per annum set forth in the following schedule:

YEAR	INTEREST RATE	YEAR	INTEREST RATE
2027	%	2042	%
2028		2043	
2029		2044	
2030		2045	
2031		2046	
2032		2047	
2033		2048	
2034		2049	
2035		2050	
2036		2051	
2037		2052	
2038		2053	
2039		2054	
2040		2055	
2041		2056	

(d) Payments on Holidays. In the event that any date for payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment will be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Section 2.03. PAYMENT OF BONDS; PAYING AGENT/REGISTRAR. The principal of, premium, if any, and the interest on the Bonds shall be payable, without exchange or collection charges to the Owner thereof, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

Zions Bancorporation, National Association, Houston, Texas is hereby appointed as Paying Agent/Registrar for the Bonds. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar acknowledges receipt of copies of the Master Ordinance and this Fourth Supplement and is deemed to have agreed to the provisions thereof and hereof.

The City agrees and covenants to cause to be kept and maintained at the designated office of the Paying Agent/Registrar a Security Register, all as provided herein, in accordance with the terms and provisions of the Paying Agent/Registrar Agreement and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. In addition, to the extent required by law, the City covenants to cause to be kept and maintained the Security Register or a copy thereof in the State.

The City expressly reserves the right to appoint one or more successor Paying Agent/Registrars, by filing with the Paying Agent/Registrar a certified copy of a resolution or minute order of the City making such appointment. The City further expressly reserves the right to terminate the appointment of the Paying Agent/Registrar by filing a certified copy of a resolution of the City giving notice of the City's termination of the City's agreement with such Paying Agent/Registrar and appointing a successor. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Security Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the City agrees promptly to cause a written notice thereof to be sent to each Owner by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The principal of, premium, if any, and interest on the Bonds due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the Owner thereof appearing on the Security Register, and, to the extent permitted by law, neither the City nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary.

Principal of, and premium, if any, on the Bonds shall be payable only upon the presentation and surrender of said Bonds to the Paying Agent/Registrar at its designated office. Interest on the Bonds shall be paid to the Owner whose name appears in the Security Register at the close of business on the Record Date and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar to the address of the Owner appearing in the Security Register on the Record Date or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by, and at the risk and expense of, the Owner.

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

Section 2.04. REDEMPTION. (a) Generally. The Bonds shall be subject to redemption prior to scheduled maturity at such times and with such provisions as provided in the FORM OF BONDS.

(b) Notices of Redemption and Defeasance. (i) Unless waived by any Owner of the Bonds to be redeemed, the Chief Financial Officer shall give notice of redemption or defeasance to the Paying Agent/Registrar at least thirty-five (35) days prior to a redemption date in the case of a redemption (unless a lesser period is acceptable to the Paying Agent/Registrar) and on the defeasance date in the case of a defeasance and the Paying Agent/Registrar shall give notice of redemption or of defeasance of Bonds by mail, first-class postage prepaid at least thirty (30) days prior to a redemption date and within thirty (30) days after a defeasance date to each Owner and to the central post office or each registered securities depository and to any national information service that disseminates such notices. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each notice of redemption or defeasance shall contain a description of the Bonds to be redeemed or defeased including the complete name of the Bonds, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publication or mailing date for the notice, the date of redemption or defeasance, the redemption price, if any, the name of the Paying Agent/Registrar, and the address at which the Bonds may be redeemed or paid, including a contact person telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the Owners of the Bonds shall include a CUSIP number relating to each amount paid to such Owner.

The failure of any Owner of the Bonds to receive notice given as provided in this Section 2.04, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided in this Section 2.04 shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives such notice.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent/Registrar shall provide the notices specified in this Section 2.04 only to DTC. It is expected that DTC shall, in turn, notify its participants and that the participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a participant, or failure on the part of a nominee of a beneficial owner of a Bond to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bonds.

(c) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Master Ordinance or this Fourth Supplement have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon

any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 2.05. REGISTRATION; TRANSFER; EXCHANGE OF BONDS; PREDECESSOR BONDS; BOOK-ENTRY-ONLY SYSTEM; SUCCESSOR SECURITIES DEPOSITORY; PAYMENTS TO CEDE & CO. (a) Registration, Transfer, Exchange, and Predecessor Bonds. The Registrar shall obtain, record, and maintain in the Security Register the name and address of each Owner issued under and pursuant to the provisions of this Fourth Supplement. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds in Authorized Denominations upon the Security Register by the Owner, in person or by his duly authorized agent, upon surrender of such Bond to the Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Owner or by his duly authorized agent, in form satisfactory to the Registrar.

Upon surrender for transfer of any Bond at the designated office of the Registrar, there shall be registered and delivered in the name of the designated transferee or transferees, one or more new Bonds, executed on behalf of, and furnished by, the City, of Authorized Denominations and having the same Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Owner, Bonds may be exchanged for other Bonds of Authorized Denominations and having the same Maturity, bearing the same rate of interest, and of like aggregate principal amount or Maturity Amount and the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the principal office of the Registrar. Whenever any Bonds are so surrendered for exchange, there shall be registered and delivered new Bonds executed on behalf of, and furnished by, the City to the Owner requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the principal office of the Registrar or sent by United States mail, first-class, postage prepaid to the Owners or the designee thereof, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under the Master Ordinance and this Fourth Supplement, as the Bonds surrendered in such transfer or exchange.

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

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated Bond

that is surrendered to the Paying Agent/Registrar or any Bond for which satisfactory evidence of the loss of which has been received by the City and the Paying Agent/Registrar and, in either case, in lieu of which a Bond or Bonds have been registered and delivered pursuant to Section 3.05 hereof.

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

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

(c) Book-Entry-Only System. The Bonds issued in exchange for the Initial Bond for issued as provided in Section 2.06 shall be issued in the form of a separate single fully-registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC, and except as provided in this subsection (c) all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Owner as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Owner as shown on the Security Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Fourth Supplement to the contrary but to the extent permitted by law, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Security Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the Owners, as shown in the Security Register as provided in this Fourth Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Owner, as shown in the Security Register, shall

receive a Bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Fourth Supplement. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Fourth Supplement with respect to interest checks being mailed to the Owner at the close of business on the Record Date the words "Cede & Co." in this Fourth Supplement shall refer to such new nominee of DTC.

(d) Successor Securities Depository; Transfers Outside Book-Entry-Only System. In the event that the City determines to discontinue the book-entry-only system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the City shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository, and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Security Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Fourth Supplement.

(e) Payments to Cede & Co. Notwithstanding any other provision of this Fourth Supplement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(f) Blanket Issuer Letter of Representations. The City heretofore has executed and delivered to DTC a "Blanket Issuer Letter of Representations" with respect to the utilization by the City of DTC's book-entry-only system and the City intends to utilize such book-entry-only system in connection with the Bonds.

Section 2.06. INITIAL BOND. The Bonds shall initially be issued as a fully registered bond, being one bond (the "Initial Bond"). The Initial Bond shall be registered in the name of the initial purchaser(s) of the Bonds. The Initial Bond shall be submitted to the Office of the Attorney General of the State for approval and registration by the Office of the Comptroller of Public Accounts of the State and delivered to the initial purchaser(s) thereof. Immediately after the delivery of the Initial Bond on the Issuance Date, the Registrar shall cancel the Initial Bond and exchange therefor Bonds in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and, except as provided in Section 2.05(d), all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

Section 2.07. FORM OF BONDS. The Bonds (including Initial Bond), the Registration Certificate of the Comptroller of Public Accounts of the State or the Authentication Certificate, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms

set forth in Exhibit B to this Fourth Supplement with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Fourth Supplement, may have such letters, numbers, or other marks of identification and such legends and endorsements (including any reproduction of an opinion of counsel and information regarding the issuance of any bond insurance policy) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

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

ARTICLE III

EXECUTION; REPLACEMENT OF BONDS; AND BOND INSURANCE

Section 3.01. EXECUTION AND REGISTRATION. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and attested by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City as of their authorization shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Fourth Supplement, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Exhibit B to this Fourth Supplement, executed by the Comptroller of Public Accounts of the State or its duly authorized agent by manual signature, or the Paying Agent/Registrar's Authentication Certificate substantially in the form provided in Exhibit B to this Fourth Supplement executed by the manual signature of an authorized officer or employee of the Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

Section 3.02. CONTROL AND CUSTODY OF BONDS. The Chief Financial Officer shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation and examination by the Attorney General of the State, including the printing and supply of printed Bonds, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the initial purchaser(s).

Furthermore, each Authorized Representative is hereby authorized and directed to furnish and execute such documents relating to the Utility System, the City and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General, and the

registration by the Comptroller of Public Accounts and, together with the City's Bond Counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the initial purchaser(s) and the initial exchange thereof for Bonds other than the Initial Bond.

Section 3.03. PRINTED OPINION. The initial purchaser(s) obligation to accept delivery of the Bonds is subject to the initial purchaser(s) being furnished the final opinion of McCall, Parkhurst & Horton L.L.P. approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. If bond insurance is obtained for the Bonds, the Bonds may bear an appropriate insurance legend.

Section 3.04. CUSIP NUMBERS. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

Section 3.05. MUTILATED, DESTROYED, LOST, AND STOLEN BONDS. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

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

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

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

Section 3.06. BOND INSURANCE. (a) Purchase of Insurance. In connection with the sale of the Bonds, the City may obtain municipal bond insurance policies from one or more Bond Insurers to guarantee the full and complete payment required to be made by or on behalf of the City on some or all of the Bonds as determined by the Chief Financial Officer. The Chief Financial

Officer is hereby authorized to sign a commitment letter with a Bond Insurer and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds out of the proceeds of sale of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as he or she may deem appropriate. Printing on Bonds covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to a Bond Insurer and the Chief Financial Officer, is hereby approved and authorized. This Ordinance may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of a Bond Insurer.

(b) Rights of Bond Insurer(s). As long as a Bond Insurer is not in default on the related bond insurance policy for the Bonds, the Bond Insurer shall be deemed to be the sole Owner of such Bonds insured by it for all purposes of this Fourth Supplement or the Master Ordinance.

ARTICLE IV

PAYMENTS, REBATE FUND AND RESERVE ACCOUNT

Section 4.01. PAYMENTS. (a) Accrued and Capitalized Interest. Immediately after the delivery of the Bonds the City shall deposit any accrued interest and any sale proceeds to be used to pay capitalized interest received from the sale and delivery of such Bonds to the credit of the Interest and Sinking Account to be held to pay interest on such Bonds.

(b) Debt Service Payments. Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds, the City shall make available from the Interest and Sinking Account to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the City with an appropriate certificate of cancellation.

Section 4.02. REBATE ACCOUNT. A separate and special account to be known as the Rebate Account is hereby established by the City pursuant to the requirements of Section 148(f) of the Code and the tax covenants of the City contained in Section 5.01 of this Fourth Supplement for the benefit of the United States of America and the City, as their interests may appear pursuant to this Fourth Supplement. Such amounts shall be deposited therein and withdrawn therefrom as is necessary to comply with the provisions of Section 5.01. Any moneys held within the Rebate Account shall not constitute Security under the Master Ordinance.

Section 4.03. RESERVE ACCOUNT. (a) To accumulate and maintain a reserve for the payment of the Bonds equal to the average Annual Debt Service Requirements of the Bonds (calculated by the City at the beginning of each Fiscal Year) (the "Required Reserve Amount"), the Reserve Account has been established and shall be maintained by the City. Earnings and income derived from the investment of amounts held for the credit of the Reserve Account shall be retained in the Reserve Account until the Reserve Account contains the Required Reserve Amount; thereafter, such earnings and income shall be deposited to the credit of the System Account. The City shall deposit and credit to the Reserve Account amounts required to maintain the balance in the Reserve Account in an amount equal to the Required Reserve Amount by making

monthly deposits and credits in amounts equal to not less than 1/60th of the Required Reserve Amount or by the deposit of a Reserve Account Obligation. There shall be deposited into the Reserve Account any Reserve Account Obligations so designated by the City. All funds, investments and Reserve Account Obligations on deposit and credited to the Reserve Account shall be used solely for (i) the payment of the principal of and interest on the Bonds, when and to the extent other funds available for such purposes are insufficient, (ii) to make Reserve Account Obligation Payments and (iii) to retire the last Stated Maturity or Stated Maturities of or interest on the Bonds. The Reserve Account is solely for the benefit of this series of Bonds and is not available to pay Annual Debt Service Requirements on any other Parity Debt.

(b) When and for so long as the cash, investments and Reserve Account Obligations in the Reserve Account equal the Required Reserve Amount, no deposits need be made to the credit of the Reserve Account; but, if and when the Reserve Account at any time contains less than the Required Reserve Amount, the City covenants and agrees that the City shall cure the deficiency in the Reserve Account by resuming the deposits to such Account from the Pledged Revenues by monthly deposits and credits in amounts equal to not less than 1/60th of the Required Reserve Amount with any such deficiency payments being made on or before each interest payment date until the Required Reserve Amount has been fully restored; provided, however, that no such deposits shall be made into the Reserve Account during any six (6) month period beginning on an interest payment date until there has been deposited into the Interest and Sinking Account the full amount required to be deposited therein by the next following semi-annual payment date, as the case may be. In addition, in the event that a portion of the Required Reserve Amount is represented by a Reserve Account Obligation, the Required Reserve Amount shall be restored as soon as possible from monthly deposits of Pledged Revenues on deposit in the System Account, but subject to making the full deposits and credits to the Interest and Sinking Account required to be made by the next following interest payment date, as the case may be. The City further covenants and agrees that subject only to the prior deposits and credits to be made to the Interest and Sinking Account, the Pledged Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve Amount, including by paying Reserve Account Obligation Payments when due, and to cure any deficiency in such amounts as required by the terms of this Fourth Supplement.

During such time as the Reserve Account contains the Required Reserve Amount, or any cash is replaced with a Reserve Account Obligation pursuant to subsection (c) below, the City may, at its option, withdraw all surplus funds in the Reserve Account and deposit such surplus in the Interest and Sinking Account or otherwise use such amount in any manner permitted by law unless such surplus is required to be rebated in which case such event shall be deposited into the Rebate Account.

(c) A Reserve Account Obligation issued in an amount equal to all or part of the Required Reserve Amount for the Bonds may be used in lieu of depositing cash into the Reserve Account. In addition, a Reserve Account Obligation may be substituted for monies and investments in the Reserve Account if the substitution of the Reserve Account Obligation will not, in and of itself, cause any ratings then assigned to the Bonds by any rating agency to be lowered and the ordinance authorizing the substitution of the Reserve Account Obligation for all or part of the Required Reserve Amount contains a finding that such substitution is cost effective.

(d) Notwithstanding anything to the contrary contained herein, the requirement set forth in subsection (a) above to maintain the Required Reserve Amount in the Reserve Account shall be suspended for such time as the Net Revenues for each Fiscal Year are equal to at least 1.35 times the average Annual Debt Service Requirements. In the event that the Net Revenues for any Fiscal Year are less than 1.35 times the average Annual Debt Service Requirements, the City will be required to commence making Required Reserve Account Deposits, as provided in subsection (b) above, and to continue such Required Reserve Account Deposits until the earlier of (i) such time as the Reserve Account contains the Required Reserve Amount or (ii) the Net Revenues in each of two consecutive years have been equal to not less than 1.35 times the average Annual Debt Service Requirements. Notwithstanding the provisions of Section 4.03(a) of this section, if the City commences deposits in the Reserve Account and later is authorized to suspend payments into the fund under this section any funds so accumulated may, at the discretion of the City: (i) remain in the Reserve Account or (ii) be used for any lawful purpose including additional projects or to pay debt service on the Bonds.

(e) A Reserve Account Obligation permitted under (a) above, must be in the form of a surety bond or insurance policy meeting the requirements described below.

(1) (i) A surety bond or insurance policy issued to the Paying Agent/Registrar, as agent of the Holders, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") if the claims paying ability of the issuer thereof shall be rated "A" by S&P or Moody's, or (ii) a surety bond or insurance policy issued to the Paying Agent/Registrar, as agent of the Holders, by an entity other than a municipal bond insurer, if the form and substance of such instrument and the issuer thereof shall be approved in writing by each Bond Insurer of record.

(2) The obligation to reimburse the issuer of a Reserve Account Obligation for any claims or draws upon such Reserve Account Obligation in accordance with its terms, including expenses incurred in connection with such claims or draws, to the extent permitted by law, (a Reserve Account Obligation Payment) shall be made from the deposits made to the Reserve Account as provided in this Section. The Reserve Account Obligation shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Account Obligation to reimbursement will be subordinated to the cash replenishment of the Reserve Account to an amount equal to the difference between the full original amount available under the Reserve Account Obligation and the amount then available for further draws or claims. In the event (a) the issuer of a Reserve Account Obligation becomes insolvent, or (b) the issuer of a Reserve Account Obligation defaults in its payment obligations thereunder, or (c) the claims paying ability of the issuer of the insurance policy or surety bond falls below "A" by S&P or Moody's, respectively, the obligation to reimburse the issuer of the Reserve Account Obligation shall be subordinated to the cash replenishment of the Reserve Account.

(3) In the event (a) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated, or (b) the rating of the claims paying ability of the

issuer of the surety bond or insurance policy falls below "A" by S&P or Moody's, respectively, or (c) the issuer of the Reserve Account Obligation defaults in its payment obligations hereunder or (d) the issuer of the Reserve Account Obligation becomes insolvent, the City shall either (i) deposit into the Reserve Account, in accordance with this Section, an amount sufficient to cause the cash or investments credited to the Reserve Account to accumulate to the Required Reserve Amount, or (ii) replace such instrument with a surety bond or insurance policy meeting the requirements of 1 and 2 above, within six months of such occurrence.

(4) The Paying Agent/Registrar shall ascertain the necessity for a claim or draw upon any Reserve Account Obligation and provide notice to the issuer of the Reserve Account Obligation in accordance with its terms not later than three days (or such appropriate time period as will, when combined with the timing of required payment under the Reserve Account Obligation, ensure payment under the Reserve Account Obligation on or before the interest payment date) prior to each date upon which the principal of or interest on the Parity Obligations will be due.

It is recognized that a Reserve Account Obligation may be issued which is payable only with respect to a part of the Bonds with the remainder of the Required Reserve Amount being satisfied by monies and investments and in that case any draws upon the Reserve Account will have to be made on a pro-rata basis. Therefore, (i) draws upon one or more such Reserve Account Obligations shall be made on a pro-rata basis with cash and investments available in the Reserve Account and (ii) deposits and credits to the Reserve Account to restore it to the Required Reserve Amount shall be utilized on a pro-rata basis to pay Reserve Account Obligation Payments to reimburse the issuers of the Reserve Account Obligations, thus restoring that part of the Required Reserve Amount, and to restore with cash and investments the balance of the Required Reserve Amount.

(f) In connection with the issuance of the Bonds, the City is satisfying the Required Reserve Amount by meeting the standard described in Section 4.03(d) above which provides that the Required Reserve Amount in the Reserve Account shall be suspended for such time as the Net Revenues for each Fiscal Year are equal to at least 1.35 times the average Annual Debt Service Requirements. In the event that the Net Revenues for any Fiscal Year are less than 1.35 times the average Annual Debt Service Requirements, the City will fund the Reserve Account according to the provisions herein.

ARTICLE V COVENANTS REGARDING TAX EXEMPTION

Section 5.01. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than ten (10) percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than ten (10) percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Fourth Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten (10) percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds five (5) percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five (5) percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five (5) percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

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

(10) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any). It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Chief Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. This Fourth Supplement is intended to satisfy the official intent requirements set forth in Section 1.150-2 of the Treasury Regulations.

(d) Reimbursement. This Fourth Supplement is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 5.02. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR PROJECT. The City covenants to account for the expenditure of sale proceeds and investment

earnings to be used for the purposes described in Section 1 of this Fourth Supplement (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within eighteen (18) months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than sixty (60) days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 5.03. DISPOSITION OF PROJECT. The City covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the City may rely on an opinion of nationally recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VI AMENDMENTS AND MODIFICATIONS

Section 6.01. AMENDMENTS OR MODIFICATIONS WITHOUT CONSENT OF OWNERS OF BONDS. Subject to the provisions of the Master Ordinance, this Fourth Supplement and the rights and obligations of the City and of the Owners of the Outstanding Bonds may be modified or amended at any time without notice to or the consent of any Owner of the Bonds or any other Parity Debt, solely for any one or more of the following purposes:

- (i) To add to the covenants and agreements of the City contained in this Fourth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the City in this Fourth Supplement;
- (ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Fourth Supplement, upon receipt by the City of an Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Fourth Supplement;

- (iii) To supplement the Security for the Bonds;
- (iv) To make such other changes in the provisions hereof, as the City may deem necessary or desirable and which shall not, in the judgment of the City, materially adversely affect the interests of the Owners of the Outstanding Bonds;
- (v) To make any changes or amendments requested by the State Attorney General's Office as a condition to the approval of the Bonds, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the Owners of the Outstanding Bonds; or
- (vi) To make any changes or amendments requested by any bond rating agency then rating or requested to rate the Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the Owners of the Outstanding Bonds.

Section 6.02. AMENDMENTS OR MODIFICATIONS WITH CONSENT OF OWNERS OF BONDS. (a) Amendments. Subject to the other provisions of this Fourth Supplement, the Master Ordinance and the consent of the Bond Insurer, the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in Section 6.01 hereof, to this Fourth Supplement that may be deemed necessary or desirable by the City, provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the Owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Fourth Supplement or in the Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Bonds;
- (iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the Owners of less than all Bonds then Outstanding; or
- (vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(b) Notice. If at any time the City shall desire to amend this Fourth Supplement pursuant to Subsection (a), the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York (including, but not limited to, The Bond Buyer or The Wall Street Journal) or in the State (including, but not limited to, The Texas Bond Reporter), once during each calendar week for at

least two successive calendar weeks or disseminated by electronic means customarily used to convey notices of redemption. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all Owners of Bonds. Such publication is not required, however, if the City gives or causes to be given such notice in writing to each Owner of Bonds. A copy of such notice shall be provided in writing to each rating agency maintaining a rating on the Bonds and to the Bond Insurer.

(c) Receipt of Consents. Whenever at any time the City shall receive an instrument or instruments executed by all of the Owners or the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the City may adopt the amendatory resolution in substantially the same form.

(d) Consent Irrevocable. Any consent given by any Owner pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication or other service of the notice provided for in this Section and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the Owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the City, but such revocation shall not be effective if the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount prior to the attempted revocation consented to and approved the amendment. Notwithstanding the foregoing, any consent given at the time of and in connection with the initial purchase of Bonds shall be irrevocable.

(e) Ownership. For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the Security Register kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 6.03. EFFECT OF AMENDMENTS. Upon the adoption by the City of any resolution to amend this Fourth Supplement pursuant to the provisions of this Article, this Fourth Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the City and all the Owners of Outstanding Bonds shall thereafter be determined, exercised, and enforced under the Master Ordinance and this Fourth Supplement, as amended.

ARTICLE VII MISCELLANEOUS

Section 7.01. DISPOSITION OF BOND PROCEEDS AND OTHER FUNDS. Proceeds from the sale of the Bonds shall, promptly upon receipt thereof, be applied by the Chief Financial Officer as follows:

- (i) any underwriting discount or fees and any Credit Agreement fees for the Bonds may be retained by and/or wired directly to such parties;
- (ii) any accrued interest and sale proceeds to be used to pay capitalized interest for the Bonds, if any, shall be deposited as provided in Section 4.01;
- (iii) an amount sufficient to pay the remaining costs of issuance of the Bonds and the cost of acquiring, purchasing, constructing, improving, enlarging, and equipping the improvements being financed with the proceeds of the Bonds shall be deposited in the Bond Proceeds Account to be used for such purposes.

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be deposited into the Interest and Sinking Account and applied to the payment of principal of and interest on the Bonds.

Section 7.02. MAILED NOTICES. Except as otherwise required herein, all notices required or authorized to be given to the City, any Bond Insurer (as defined in, and pursuant to, Section 3.06 hereof) or the Paying Agent/Registrar pursuant to this Fourth Supplement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the following addresses or otherwise given in a manner deemed, in writing, acceptable to the party to receive the notice:

1. to the City:
 City of Huntsville, Texas
 1212 Avenue M
 Huntsville, Texas 77340
 Attn: Director of Finance
 Telephone: (936) 291-5486
 Facsimile: (936) 291-5489
2. to the Paying Agent/Registrar:
 Zions Bancorporation, National Association
 1801 Main Street, Suite 460
 Houston, Texas 77002
 Attn: Alyssa.Surface@amegybank.com
 Telephone: (713) 232-6094
 Facsimile: (844) 527-2686
3. to any Bond Insurer:

The address, phone number and fax number specified by the Bond Insurer or to such other addresses as may from time to time be furnished to the parties, effective upon the receipt of notice thereof given as set forth above.

Section 7.03. DEFEASANCE OF BONDS. (a) Deemed Paid. The principal of and/or the interest and redemption premium, if any, on any Bonds shall be deemed to be Defeased Debt within the meaning of the Master Ordinance, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bonds, plus interest thereon to the due

date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the City with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank for the payment of its services until all Defeased Debt shall have become due and payable or (3) any combination of (1) and (2). At such time as Bonds shall be deemed to be a Defeased Debt hereunder, as aforesaid, such Bonds and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the Security as provided in the Master Ordinance and this Fourth Supplement, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) Investments. The deposit under clause (ii) of subsection (a) of this Section shall be deemed a payment of Bonds as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with the Master Ordinance and this Fourth Supplement. Any money so deposited with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank as provided in this Section may at the discretion of the City also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bonds and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the City for deposit to the General Account of the System Account.

(c) Continuing Duty of Paying Agent and Registrar. Notwithstanding any provision of any other Section of this Fourth Supplement which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Debt shall have become due and payable, the Paying Agent/Registrar for such Defeased Debt shall perform the services of Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Fourth Supplement.

(d) Amendment of this Section. Notwithstanding anything elsewhere in this Fourth Supplement, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full,

no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bonds affected thereby.

(e) Retention of Rights. Notwithstanding the provisions of subsection (a) of this Section, to the extent that, upon the defeasance of any Defeased Debt to be paid at its maturity, the City retains the right under State law to later call that Defeased Debt for redemption in accordance with the provisions of this Fourth Supplemental Ordinance relating to the Defeased Debt, the City may call such Defeased Debt for redemption upon complying with the provisions of State law and upon the satisfaction of the provisions of subsection (a) of this Section with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Section 7.04. PAYING AGENT/REGISTRAR AGREEMENT, SALE OF BONDS, OFFICIAL STATEMENT AND VOTED AUTHORIZATION. (a) The Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar is hereby approved and the Mayor is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement.

(b) The Bonds are hereby initially sold and shall be delivered to _____ (the "Purchaser") at the price and in accordance with the terms and provisions of the winning bid form, which the Mayor of the City is hereby authorized and directed to execute and deliver and the City Secretary or Deputy City Secretary is further authorized and directed to attest. It is hereby officially found, determined, and declared that the bid received by the Purchaser is the best bid in accordance with the Notice of Sale and Preliminary Official Statement dated September __, 2026. The true interest cost of the Bonds is _____%.

(c) The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Notice of Sale and Preliminary Official Statement dated September __, 2026 prior to the date hereof is ratified and confirmed. The City Council of the City hereby finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" (as that term is defined in 17 C.F.R. Section 240.15c-12) as of their respective dates.

Section 7.05. FURTHER PROCEDURES. Each Authorized Representative is hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Fourth Supplement, the Bonds, the sale and delivery of the Bonds, and fixing all details in connection therewith, and the Paying Agent/Registrar Agreement. In connection with the issuance and delivery of each the Bonds, the above-stated officers, with the advice of the City Attorney and Bond Counsel to the City, are hereby authorized to approve, subsequent to the date of the adoption

of this Fourth Supplement, any amendments to the above named documents, and any technical amendments to this Fourth Supplement as permitted by Section 6.01 (v) or (vi) and a Authorized Representative is hereby authorized to execute this Fourth Supplement to evidence approval of such changes.

Section 7.06. NONPRESENTMENT OF BONDS. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise if moneys sufficient to pay such Bond shall have been deposited with the Paying Agent/Registrar, it shall be the duty of the Paying Agent/Registrar to hold such moneys, without liability to the City, any Owner, or any other person for interest thereon, for the benefit of the Owner of such Bond.

Any moneys so deposited with and held by the Paying Agent/Registrar due to non-presentment of Bonds must be retained by the Paying Agent/Registrar for a period of at least two years after the final maturity date of the Bonds or advance refunding date, if applicable. Thereafter, to the extent permitted by the unclaimed property laws of the State, such amounts shall be paid by the Paying Agent/Registrar to the City, free from the trusts created by this Fourth Supplement and Owners shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid by the Paying Agent/Registrar.

Section 7.07. EFFECT OF SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS. Whenever this Fourth Supplement requires any action to be taken on a Saturday, Sunday, or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Fourth Supplement the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 7.08. PARTIAL INVALIDITY. If any one or more of the covenants or agreements or portions thereof provided in this Fourth Supplement on the part of the City should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Fourth Supplement and the invalidity thereof shall in no way affect the validity of the other provisions of this Fourth Supplement or of the Bonds, but the Owners of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

Section 7.09. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2025, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 7.04 of this Fourth Supplement, being information of the type described in Exhibit C hereto, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited,

if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve (12) month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

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

(b) Event Notices. The City shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than ten (10) business days after the occurrence of the event:

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

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

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

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

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit that causes the Bonds to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City makes no representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

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

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (i) such provisions as so amended and (ii) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this subsection (a) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(d) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to subsection (a) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

Section 7.10. CREDIT AGREEMENT. To the extent permitted by law, the City reserves the right to enter into Credit Agreements in connection with the Bonds, upon the written opinion of the Chief Financial Officer that such Credit Agreements are in the best interest of the City given the market conditions at the time. The Credit Agreements will constitute a Credit Agreement as defined in the Master Ordinance. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) Parity Debt secured by a pledge of the Security on parity with the Bonds and other Parity Debt, (ii) Subordinated Debt secured by a pledge of the Security subordinate to the Bonds and other Parity Debt or (iii) partially Parity Debt and partially Subordinated Debt.

Section 7.11. DEFAULT AND REMEDIES. (a) Events of Default. Each of the following occurrences or events for the purpose of this Fourth Supplement is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Fourth Supplement, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default.

- (i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the Registered Owners under this Fourth Supplement, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.
- (ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

- (i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given

hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Fourth Supplement, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Fourth Supplement.

- (ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.
- (iii) By accepting the delivery of a Bond authorized under this Fourth Supplement, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Fourth Supplement do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.
- (iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Fourth Supplement, or because of any Event of Default or alleged Event of Default under this Fourth Supplement.

Section 7.12. RULES OF INTERPRETATION. For purposes of this Fourth Supplement, except as otherwise expressly provided or the context otherwise requires:

(a) The words "herein," "hereof" and "hereunder" and other similar words refer to this Fourth Supplement as a whole and not to any particular Article, Section, or other subdivision.

(b) The definitions in an Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms that are not defined in this Fourth Supplement have the meanings assigned to them in accordance with then applicable accounting principles.

(d) Any pronouns used in this Fourth Supplement include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this Fourth Supplement have the meanings attributed to them where defined.

(f) The captions or headings are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(g) Any references to Section numbers are to Sections of this Fourth Supplement unless stated otherwise.

Section 7.13. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the City contained in this Fourth Supplement shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing Program, the Utility System and the City to the full extent authorized or permitted by State law. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council or agent or employee of the City in his or her individual capacity and neither the members of the City Council, nor any officer, employee, or agent of the City shall be liable personally on the Bonds when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 7.14. PAYMENT OF ATTORNEY GENERAL FEE. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Authorized Representative is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the Bonds of each Series.

IN ACCORDANCE WITH SECTION 1201.028, Texas Government Code, finally passed, approved and effective this 15th day of September, 2026.

Russell Humphrey, Mayor
City of Huntsville, Texas

ATTEST:

Kristy Doll, City Secretary
City of Huntsville, Texas

APPROVED AS TO FORM:

Robby Chapman, City Attorney
City of Huntsville, Texas

The City has caused this Fourth Supplement to be executed by an Authorized Representative.

CITY OF HUNTSVILLE, TEXAS

By: _____
Authorized Representative

EXHIBIT A DEFINITIONS

As used in this Fourth Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authorized Denominations" - means \$5,000 or any integral multiple thereof.

"Authorized Representative" - means the City Manager, Assistant City Manager, Director of Finance or such other individuals so designated by the City to perform the duties of an Authorized Representative under this Fourth Supplement.

"Bonds" – means the Bonds issued pursuant to and governed by this Fourth Supplement, as described in Article II hereof.

"Bond Insurer" – means one or more companies, if any, insuring all or any portion of the Bonds (or any portion thereof) or any successor thereof or assignee thereof.

"Chief Financial Officer" - means the Finance Director or such other officer or employee of the City or such other individual so designated by the City to perform the duties of Chief Financial Officer under this Fourth Supplement.

"Current Interest Bonds" – means the Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in this Ordinance.

"Defeasance Securities" - means (i) Federal Securities and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

"DTC" – means the Depository Trust Company, New York, New York, or any successor securities depository.

"DTC Participant" – means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Federal Securities" – means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

"Financial Obligation" – means (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that

"financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fourth Supplement" – means this Fourth Supplemental Ordinance, which was adopted pursuant to authority reserved by the City under the Master Ordinance.

"Issuance Date" – means the date of delivery of the Bonds to the initial purchaser(s) thereof against payment therefor.

"Master Ordinance" – means the "Master Ordinance Establishing the Utility System Revenue Financing Program," adopted by the City on May 1, 2018, as may be amended or supplemented from time to time.

"Maturity" – means, when used with respect to the Bonds, the scheduled maturity of the Bonds.

"Maximum Rate" – means a net effective interest rate (as defined in and calculated in accordance with the provisions of the Chapter 1204, Texas Government Code, as amended not to exceed fifteen percent (15%)).

"MSRB" – means the Municipal Securities Rulemaking Board.

"Owner" – means the registered owners of the Bonds as shown on the Security Register and to the extent set forth in a Credit Agreement relating to the Bonds, the party contracting with the City under a Credit Agreement.

"Paying Agent" – means the agent selected and appointed by the City for purposes of paying the principal of, premium, if any, and interest on the Bonds to the Owners thereof, as identified in Section 2.03 hereof and any successor to such agent.

"Paying Agent/Registrar" – means collectively, the Paying Agent and the Registrar designated in Section 2.03 of this Fourth Supplement or any successor to such agent.

"Paying Agent/Registrar Agreement" – means the agreement having such name executed by and between the City and the Paying Agent/Registrar.

"Predecessor Bonds" – means Predecessor Bonds as defined in Section 2.05(a) hereof.

"Rebate Account" – means the account by that name described in Section 4.02 hereof.

"Record Date" – means, with respect to each interest payment date of a Bond, the last business day of the next preceding month.

"Registrar" – means the agent selected and appointed by the City for purposes of keeping and maintaining books and records relating to the registration, transfer, exchange, and payment of the Bonds and interest thereon, as identified in Section 2.03 hereof and any successor to such agent.

"Reserve Account" – means the account that was described in Section 4.03 hereof.

"Reserve Account Obligation" - means a surety bond or insurance policy deposited in the Reserve Account to satisfy the Required Reserve Amount whereby the issuer is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

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

"SEC" – means The United States Securities and Exchange Commission.

"Section" – means, unless the context clearly requires otherwise, a Section of this Fourth Supplement.

"Security Register" – means the books and records kept and maintained by the Registrar relating to the registration, transfer, exchange, and payment of the Bonds and the interest thereon.

EXHIBIT B

FORM OF BONDS

**UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF WALKER
CITY OF HUNTSVILLE, TEXAS
WATER AND WASTEWATER SYSTEM REVENUE BOND,
SERIES 2026**

No. R-__ \$ _____

BOND DATE	INTEREST RATE	MATURITY DATE	CUSIP NO.
October 15, 2026	%	February 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

The City of Huntsville, Texas (the "City") hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the Maturity Date specified above and to pay interest on the unpaid principal amount hereof from the Bond Date specified above at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2027. Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender, at the designated office of the Paying Agent/Registrar named in the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the last business day of the next preceding month. All payments of principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof.

This Bond is one of a duly authorized issue of bonds designated as "City of Huntsville, Texas Water and Wastewater System Revenue Bonds, Series 2026" (the "Bonds"), in the aggregate principal amount of \$ _____ issued pursuant to the laws of the State of Texas, including

specifically the Enabling Act (the "Act"), and initially under and pursuant to an ordinance of the City adopted on September 15, 2026, and entitled Fourth Supplemental Ordinance to the Master Ordinance establishing the City of Huntsville, Texas Utility System Revenue Financing Program (the "Fourth Supplement") for the purpose of (i) replacing and upsizing various trunk sewer lines and replacing various sewer line segments together with engineering, legal and other related costs and (ii) paying the costs of issuing such Bonds. The Bonds are secured by a first lien on and pledge of the Security as defined in the Master Ordinance adopted on May 1, 2018 (the "Master Ordinance"), on a parity with all other Parity Debt (as defined in the Master Ordinance and the Fourth Supplement).

The Master Ordinance, as supplemented by the Fourth Supplement, is referred to in this Bond as the "Ordinance." Terms used herein and not otherwise defined shall have the meanings given in the Ordinance.

The Bonds are issued as "Current Interest Bonds," which total in principal amount \$_____ and which pay accrued interest at stated intervals to the Registered Owners.

Redemption Provisions

The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2036, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If the Bonds are redeemed, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar shall determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 of principal amount).

[The Bonds maturing on February 15, 20__ (the "Term Bond") is subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date.

Bonds Maturing February 15, 20 °

Redemption Date	Principal Amount
February 15, 20	\$
February 15, 20	
February 15, 20	

[°]Final Maturity

The principal amount of the Term Bond required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City by the principal amount of any Term Bond of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City, at a price not exceeding the principal amount of such Term Bond plus accrued interest to the date of purchase thereof, and

delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Bond plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.]

At least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Bond Ordinance.

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

Notice of redemption shall be given at the times and in the manner provided in the Fourth Supplement.

If this Bond is in a denomination in excess of \$5,000, portions of the principal sum hereof in principal amount of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Registered Owner hereof, upon the surrender of this Bond at the principal office of the Paying Agent/Registrar, a new Bond or Bonds of like maturity, series and interest rate in any authorized

denominations provided by the Resolution for the then unredeemed balance of the principal amount hereof. If this Bond is selected for redemption, in whole or in part, neither the City nor the Paying Agent/Registrar shall be required to transfer this Bond to an assignee of the Registered Owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to any exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are special obligations of the City payable solely from and equally secured by a lien on and pledge of the Security. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City, except with respect to the Security.

The pledge of the Security and the other obligations of the City under the Ordinance may be discharged at or prior to the maturity of the Bonds upon the making of provision for their payment on the terms and conditions set forth in the Ordinance.

Subject to satisfying the terms and conditions stated in the Ordinance, the City has reserved the right to issue additional Parity Debt payable solely from and equally and ratably secured by a parity lien on and pledge of the Security and other moneys and securities pledged under the Ordinance to the payment of the Bonds.

Reference is hereby made to the Ordinance, a copy of which is on file in the designated office of the Paying Agent/Registrar, and to all of the provisions of which any Registered Owner of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the Security; the nature and extent and manner of enforcement of the pledge; the terms and conditions for the issuance of additional Parity Debt; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners of the Bonds; the rights and remedies of the Registered Owner hereof with respect hereto and thereto; the rights, duties and obligations of the City; the terms and provisions upon which the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond and this Bond thereafter no longer to be secured by the Ordinance or be deemed to be outstanding thereunder; and for the other terms and provisions thereof.

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

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to

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

It is hereby certified, recited, represented, and declared that the City is a duly organized and legally existing home-rule city, organized under and by virtue of the Constitution and laws of the State of Texas; that the issuance of this Bond and the series of which it is a part are duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of this Bond to render the same lawful and valid have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas and the Ordinance; that this series of bonds does not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of this Bond and the Series of which it is a part as aforestated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas. The holder of this Bond is not entitled to demand payment of this Bond out of any money raised by taxation.

IN TESTIMONY WHEREOF, the City has caused its seal to be impressed or a facsimile thereof to be printed hereon and this Bond to be executed in the name of and on behalf of the City with the manual or facsimile signatures of its Mayor, and attested by the City Secretary.

CITY OF HUNTSVILLE, TEXAS

Mayor

ATTEST:

City Secretary

(SEAL)

[INSERTIONS FOR THE INITIAL BOND]

The Initial Bond shall be in the form set forth in this exhibit, except that:

- A. Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below", and the heading "CUSIP NO." shall be deleted.
- B. The first paragraph of the Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in this Ordinance):

"The City of Huntsville, Texas (the "City") hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner named above, or the registered assigns thereof, on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year of</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
-----------------------------------	-----------------------------------	--------------------------------

(Information from Sections 2.02 and 2.03 to be inserted)

The City promises to pay interest on the unpaid principal amount hereof from the Bond Date specified above at the respective per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2027. Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender, at the principal office of the Paying Agent/Registrar named in the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the last business day of the next preceding month. All payments of principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof."

- C. The Initial Bond shall be numbered "T-1."

Form of Registration Certificate of Comptroller of Public Accounts
to Appear on Initial Bond only.

REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

**OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS**

§
§
§

REGISTER NO. _____

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

**AUTHENTICATION CERTIFICATE OF
PAYING AGENT/REGISTRAR**

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

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Paying Agent/Registrar

Registered this date:

By: _____
Authorized Signature

Form of Assignment.

ASSIGNMENT

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

(Please insert Social Security or Taxpayer Identification Number of Transferee)

(Please print or typewrite name and address, including zip code, of Transferee)

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

DATED: _____

Signature guaranteed by:

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

EXHIBIT "C"

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 7.09 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

- (1) Table 1 - Historical Water Consumption;
- (2) Table 2 - Largest Water Customers;
- (3) Table 3 - Monthly Water Rates;
- (4) Table 4 - Wastewater Usage;
- (5) Table 5 - Ten Largest Sewer Customers;
- (6) Table 6 - Monthly Sewer Rates;
- (7) Table 7 - Pro Forma Revenue Debt Service Requirements
- (8) Table 8 - Condensed Statement of Operations;
- (10) Table 9 - Coverage and Fund Balances;
- (11) Table 10 - Value of the System;
- (12) Table 11 - City's Equity in the System; and
- (13) Appendix B.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.



CITY COUNCIL AGENDA

9/15/2026

Agenda Item Number: 3.a.

Agenda Item: Consider the appointments to the City of Huntsville Boards and Commissions.

Initiating Department/Presenter: City Council

Presenter:

Russell Humphrey, Mayor

Recommended Motion: Mayor nominates Board and Commission member appointments as presented.

Strategic Initiative: Strategic Priority #5, Engagement - Build strong relationships within our organization and community with a focus on our culture of core values as expressed in Service, Trust, Accountability and Respect. Provide a welcoming and collaborative environment that fosters mutual partnership between city government, community organizations and our residents.

Discussion: Please see the attached list for appointments to the City of Huntsville Boards and Commissions. Positions on these Boards and Commissions are vacant and need to be filled or reappointed.

Previous Council Action: None

Financial Implications: None

Approvals:

Ricardo Villagrand

Scott Swigert

Kristy Doll

Associated Information:

1. Board Appointments - September 15, 2026



CITY OF HUNTSVILLE

BOARD AND COMMISSION APPOINTMENTS/REAPPOINTMENTS

BOARD NAME	SEAT #	APPOINT/ REAPPOINT	BOARD MEMBER	TERM EXPIRES
Airport Advisory Board				
	2	REAPPOINT	Phillip Bruns	8/31/2028
	3	APPOINT	Ken Holland	8/31/2028
	5	APPOINT	Michael Richardson	8/31/2028
Arts Commission				
	1	REAPPOINT	Derrick Birdsall	8/31/2029
	4	APPOINT	Kathryn Houk	8/31/2029
Vacancy	9	APPOINT	Casey Jackson	8/31/2029
Board of Adjustments				
	1	REAPPOINT	Nate Grigsby	8/31/2028
	2	REAPPOINT	Cheryl Reader	8/31/2028
	3	REAPPOINT	Michelle Spencer	8/31/2028
	4	REAPPOINT	Ken Holland	8/31/2027
Cemetery Advisory Board				
	5	REAPPOINT	Samuel Massey	8/31/2028
	7	REAPPOINT	Joe Boaz	8/31/2028
	11	REAPPOINT	LeDeanna Holcomb	8/31/2028
Huntsville Housing Authority				
	1	REAPPOINT	Sally Dowis	8/31/2028
	4	REAPPOINT	Cynthia Cooper	8/31/2028
Huntsville Public Library				
	5	REAPPOINT	Douglas Wright	8/31/2029
Main Street Advisory Board				
	2	REAPPOINT	Bridget Maloney	8/31/2028
	3	REAPPOINT	Sandra Gray	8/31/2028
	6	APPOINT	Stephanie Smith	8/31/2028
	7	REAPPOINT	Madelyn Adler	8/31/2028
Planning Commission				
	7	REAPPOINT	Weldon Wallace	8/31/2029
Tourism Advisory Board				
	1	REAPPOINT	LeDeanna Holcomb	8/31/2029
	8	REAPPOINT	Leigh-Anne Stewart	8/31/2029