

February 21, 2017

A City Council workshop and special meeting was held on the above date in the City Council Chamber, 100 South Houston Avenue with all officers and members present except Council Members Hardeman and Goza.

Mayor Anderle called the workshop to order at 5:30 p.m.

City Manager JRhett Parker briefly reviewed the agenda items.

City Manager JRhett Parker also reviewed the following items of interest:

- Ribbon Cutting for Old School Coffee & Creamery will be held on February 24, 2017 at 2:00 p.m.
- Chamber banquet will be held on February 27, 2017 at the Williams Event Center.
- Tyson Street is closed temporarily.

The following departmental reports were reviewed by each Department Supervisor:

- Utilities Director Jerald Brunson stated that all testing went well this month at the water and sewer plant. We are having problems with the clarifier again. Received a letter from TWDB regarding documents that need correcting before projects can begin. According to Engineer Tommy Valle, all items will be corrected by tomorrow. Wastewater plant has had failures; however, staff is managing well. A manhole is being replaced at 13th Street and Maxwell Avenue. According to TCEQ, proper notice was not sent to residents for a violation from November and December of 2012. A cover letter along with the notice will be sent to all water customers in the next week.
- Street Supervisor Craig Arnold presented the drainage issue on Tyson. This job will be done on Monday. Fixed drainage issue on Adams Avenue. Worked on low limbs, street cuts for Atmos Energy and Water Department and hauled sludge for the wastewater department. Council Member Mondrik asked about railroad repair on Main Street. Craig will attempt to contact the railroad to speed up repair process.
- City Manager JRhett Parker announced that the Police Department is running with City Manager and three Sergeants. Officer Clay Domel has been moved from Animal Control to a full time officer. Another officer has been hired and one more opening left to fill in addition to the Police Chief position.
- Code Enforcement Officer Stanley Garrison was not present.
- Court Clerk Wende White reviewed the court reports. Warrant Round-up is ongoing. Offenders have until Friday to pay. Arrests will be made Saturday for any outstanding warrants.
- Fire Chief Henry Horelica stated that the Fire Department has been busy with grass fires and wrecks. Burn ban has been put into effect. Henry is looking for a grant for a generator for the Fire Department during power outages. The CVFD fundraiser was a success with earnings up to \$12,000.00.
- Librarian Marie Christopher stated that business is maintaining as normal. A crafting group has begun meeting every Friday. The summer reading program materials are in. The Library will need to hire an additional part-time employee during the summer reading program.

- City Secretary Amy Harris reported that election processes are proceeding and the audit continues.

Mayor Anderle called the regular meeting to order at 6:15 p.m.

City Manager JRhett Parker offered the invocation.

Council Member Mondrik led the pledge of allegiance.

Mayor Anderle requested citizen comments.

There were no citizen's comments at this time.

Council Member Schiller moved to approve minutes of the regular meeting of February 6, 2017. Council Member Mondrik seconded the motion and it carried unanimously.

Mayor Anderle opened a public hearing at 6:16 p.m. for the purpose of receiving citizen's comments on the creation of a Reinvestment Zone for the purpose of offering tax abatement at 1713B Industrial Boulevard, Cameron, Texas 76520 for Livestock Nutrition Center.

Cameron Economic Development Director Ginger Watkins explained that Livestock Nutrition Center will create a new \$4 million business. Ten jobs will be created for this project. They are requesting 80% abatement for four years and will be requesting the same from Milam County.

Mayor Anderle closed the public hearing at 6:21 p.m.

Mayor Anderle read the first reading of the following ordinance:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMERON, TEXAS, DESIGNATING REINVESTMENT ZONE #2017-001 FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT IN THE CITY OF CAMERON, TEXAS; ESTABLISHING THE BOUNDARIES THEREOF; APPROVING THE TERMS AND CONDITIONS OF COMMERCIAL-INDUSTRIAL TAX ABATEMENT AGREEMENTS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City Council of the City of Cameron, Texas (herein the "City") desires to promote the development or redevelopment of certain contiguous geographic areas within its jurisdiction by the creation of a reinvestment zone for commercial/industrial tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended; and

WHEREAS, on the 21st day of February 2017, a public hearing was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing and the delivery of written notice to all taxing entities within its boundaries regarding the real property that is to be included in the proposed reinvestment zone, as required by Section 312.201(d) of the Texas Tax Code; and

WHEREAS, the City at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone, and any concerns regarding the offering of tax abatement incentives; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, supporting and relating to the creation of the zone, and no opponents of the reinvestment zone appeared to contest the creation of the reinvestment zone;

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

Section 1: The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct factual and legislative findings of the City, and are fully incorporated into the body of this ordinance.

Section 2: Definitions.

- (a) Improvements - Improvements shall include any activity at the location, including but not limited to new construction.
- (b) Taxable Real Property - Taxable real property shall be as defined in the Texas Tax Code and shall not include personal property as defined in said Code.
- (c) Base Year - The base year for determining increased value shall be the taxable real property value assessed the year in which the agreement is executed.
- (d) Personal Property - Personal property shall be as defined in the Texas Tax Code and shall include all equipment, office furnishings, and inventory, and other items contained within the confines of the reinvestment zone.

Section 3: The City, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) The public hearing regarding adoption of the reinvestment zone has been properly called, held, and conducted, and that notices of such hearings have been published at least seven (7) days before the hearing in a newspaper of general circulation within the Town, and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone at least seven (7) days prior to the hearing; and
- (b) The boundaries of the reinvestment zone should be and include the area described in attached "Exhibit A" and depicted on the map attached hereto as "Exhibit B"; and
- (c) The creation of the proposed zone with boundaries as described in "Exhibit A" and "Exhibit B" will result in benefits to the City and to land included in the zone, and that the improvements sought are feasible and practical; and
- (d) That the investment zone as defined in "Exhibit A" and as depicted in "Exhibit B" meets the criteria for the creation of a reinvestment zone as set forth in Section 312.202(a) of the Texas Tax Code in that it is "reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the City"; and
- (e) The reinvestment zone as defined in "Exhibit A" and depicted in "Exhibit B" meets the City's policy of Guidelines and Criteria for the creation of a tax abatement zone and eligible for tax abatement.

Section 4: Pursuant to the property Redevelopment and Tax Abatement Act, Section 312.201 of the Texas Tax Code, as amended, the City hereby creates a reinvestment zone for commercial-industrial tax abatement encompassing only the territory described in "Exhibit A" and depicted in "Exhibit B" and such reinvestment zone is hereby designated and shall hereafter be referred to as Reinvestment Zone #2017-001 of the City of Cameron, Texas.

Section 5: The zone shall take effect on March 6, 2017 and shall remain designated as a commercial/industrial reinvestment zone for a period of three (3) years from the date of such designation. The expiration of the designation does not affect an existing tax abatement agreement. Prior to or upon the date of expiration, the City Council may renew such designation for additional successive period(s) not exceeding five (5) years each; provided no agreement may be extended beyond ten (10) years from the date of the original agreement.

Section 6: To be considered eligible for execution of an agreement for tax abatement, a proposed commercial/industrial project shall:

- (a) Be located entirely within the designated zone;
- (b) Provide a breakdown of the types and numbers of local jobs;
- (c) Have a minimum expenditure of \$4,000,000 for the proposed improvements or repairs;
- (d) Not include property that is owned or leased by a member of the City Council of the City of Cameron, Texas, or by a member of the City's Planning and Zoning Commission;
- (f) Conform to all requirements of the City's zoning ordinance and all other applicable laws and regulations;
- (g) Conform to all other requirements of the City of Cameron Tax Abatement Policies and Guidelines as adopted by Ordinance No. 2013-04-15-06 or as adopted subsequently.

Section 7: Written agreements under Section 312.205 of the Texas Tax Code with the property owner(s) located within the Tax Abatement Zone shall include, but not be limited to, the following provisions:

- (a) Terms regarding the duration of exemption and share of eligible taxable real and personal property value from taxation;
- (b) A listing of the kind, number, location, and costs of all proposed improvements of the property;
- (c) A statement that access to the project shall be provided to allow for inspection by City inspectors and officials and such other governmental personnel reasonably deemed necessary to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.
- (d) Limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect.
- (e) That property tax revenue lost as a result of the tax abatement agreement will be recaptured by the City if the owner of the property fails to make the improvements as provided by the agreement.

Section 8: If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 9: It is hereby found, determined and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Meetings Act, Section 551.001, et seq. of the Texas Government Code, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice was in fact delivered to the presiding officer of any affected taxing entities as prescribed by the Property Redevelopment and Tax abatement Act, as amended.

Section 10: This Ordinance shall take effect immediately from and after its passage by the City Council of the City of Cameron.

Mayor Anderle read the first reading of the following ordinance:

**TAX ABATEMENT AGREEMENT
I. PARTIES:**

This Tax Abatement Agreement (the "Agreement") is entered into by and between the City of Cameron, Texas (the "City"), and Livestock Nutrition Center. (the "Company").

II. RECITALS:

WHEREAS, the City Council of the City of Cameron, Texas, (the "City"), passed an Ordinance (the "Ordinance") establishing Tax Abatement Reinvestment Zone (the "Zone"), for commercial/industrial tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended (the "Tax Code"); and

WHEREAS, the description of Tax Abatement Reinvestment Zone for "Company" improvements is described as being exactly that of 30 Acres at 1713B Industrial Blvd, in Cameron, Texas.

WHEREAS, the City has adopted guidelines for Ad Valorem tax abatement (the “Tax Abatement Guidelines”); and

WHEREAS, the Tax Abatement Guidelines contain appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Tax Code; and

WHEREAS, in order to maintain and enhance the commercial and industrial economic and employment base of the Cameron area, it is in the best interest of the taxpayers for the City to enter into this Agreement in accordance with said Ordinance, the Tax Abatement Guidelines and the Tax Code; and

WHEREAS, “Company” owns or will own a certain tract of land in the City of Cameron described as: See Exhibit A – Fieldnote Description
And intends to construct certain improvements (hereinafter defined as the “Improvements”) on the Land and

WHEREAS, “Company’s” development efforts described herein will add 15 permanent jobs in the City over three (3) years; and

WHEREAS, the City Council finds that the contemplated use of the Premises (hereinafter defined), the contemplated improvements to the Premises thereto in the amount set forth in this Agreement, and the other terms hereof are consistent with encouraging development of the Zone in accordance with the purposes for its creation and/or in compliance with the Tax Abatement Guidelines, the Ordinance adopted by the City, the Tax Code and all other applicable laws; and

WHEREAS, the City Council finds that the Improvements, made or to be made, are feasible and practicable and would be of benefit to the Premises to be included in the Zone and to the City after expiration of this Agreement; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Tax Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises is located; and

WHEREAS, the City desires to enter into an agreement with the owner of the Tangible Personal Property (hereinafter defined), within the Zone for the abatement of taxes pursuant to Chapter 312 of the Tax Code as amended;

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for good and other valuable consideration, the adequacy and receipt of which are hereby acknowledged, including the expansion of employment, the attraction of major investment in the City, which contributes to the economic development of and the enhancement of the tax base in the City, the parties agree as follows:

III. GENERAL PROVISIONS

1. The Land is located within the city limits of the City and wholly within the specific abatement zone. “Company” intends to undertake construction of the Improvements on the Land subsequent to the execution of this Agreement.
2. The Premises are not in an improvement project financed by tax increment bonds.
3. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City.
4. The Premises are not owned or leased by any member of the City Council or any member of the Cameron Planning and Zoning Commission, or any member of the governing body of any taxing units joining in or adopting this agreement.

IV. Tax Abatement Authorized

- 5. This Agreement is authorized by the Tax Code and in accordance with the City Tax Abatement Guidelines, and approved by resolution of the City Council of the City authorizing the execution of this Agreement.
- 6. The value of the real estate improvements on which the abatement is based is \$4,000,000.00 or the valuation as of January 1, 2018 as determined by the Milam Appraisal District, whichever is less. The Tax Abatement Schedule is as follows:

\$4,000,000.00 X's 80% = \$3,200,000.00 dollars, on which tax is initially abated.

YEAR 2018	...	80%
YEAR 2019	...	80%
YEAR 2020	...	80%
YEAR 2021		80%

- 7. City hereby grants "Company" abatement of the Combined Taxable Value of the Improvements made to real estate and tangible property described in Exhibit A, attached hereto. The period of tax abatement herein authorized shall be for a period of four (4) years and expires on December 31, 2021. The abatement hereunder shall amount to an abatement of 80% of the City ad valorem taxes in any Taxable Year covered by this agreement.
- 8. During the period of tax abatement herein authorized, "Company" shall be subject to all City taxation not abated, including but not limited to, sales tax and Ad Valorem taxation on inventory and supplies.

V. DEFINITIONS

- 9. Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:
 - a. "Base Year Taxable Value" shall mean the total appraised value of the Land and Improvements as certified by the Appraisal District for year in which the Tax Abatement Agreement is executed (2017).
 - b. "Event of Bankruptcy or Insolvency" shall mean the dissolution or termination of a party's existence as a going business, insolvency, appointment of receiver for any part of a party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefits of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.
 - c. "First Year of Abatement" shall mean January 1 of the calendar year immediately following the completion of property improvements or January 1, 2018, whichever is sooner.
 - d. "Force Majeure" shall mean any contingency or cause beyond the reasonable control of "Company" including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, adverse weather, government or de facto governmental action (unless caused by acts or omissions of "Company"), fires, explosions or floods, strikes, slowdowns or work stoppages.
 - e. "Improvements" shall mean the contemplated improvements to the land and any additions or expansions thereof as further described herein.
 - f. "Land" shall mean the real property described in Exhibit "A".
 - g. "Premises" shall collectively mean the Land and the Improvements.

- h. "Tangible Personal Property" shall mean tangible personal property, equipment and fixtures, other than inventory or supplies, owned and/or leased by "Company" and added to the Premises subsequent to the execution of this Agreement.
- i. "Taxable Value" means the appraised value as certified by the Appraisal District as of January 1 of a given year.

VI. IMPROVEMENTS

- 10. The "Company" owns or will own the Land in fee and agrees to construct a feed blending plant with all the necessary facilities and equipment to successfully operate said plant at 1713B Industrial Blvd, Cameron TX. Nothing in the Agreement shall obligate City to construct the Improvements on the Land, nor obligate the City to occupy the Improvements or to locate Tangible Personal Property on the Premises but said actions are a condition precedent to tax abatement pursuant to this Agreement.

VII. CONSTRUCTION OF THE IMPROVEMENTS AND "COMPANY" OBLIGATIONS

In order to receive a tax abatement pursuant to this Agreement, "Company" shall comply with the following:

- 11. As a condition precedent to the initiation of tax abatement pursuant to this Agreement, "Company" will diligently and faithfully, in good and workmanlike manner, pursue the completion of the contemplated Improvements on or before December 31, 2017, as good and valuable consideration for the Agreement, and that all construction of the Improvements will be in accordance with all applicable state and local laws, codes, and regulations, (or valid waiver thereof); provided, that "Company" shall have such additional time to complete and maintain the Improvements as may be required in the event of "Force Majeure", if Owner is diligently and faithfully pursuing completion of the Improvements.
- 12. "Company" agrees to maintain the Improvements during the term of this Agreement in accordance with all applicable state and local laws, codes, and regulations. "Company" agrees that the Improvements shall be used for general business or financial institution office space.
- 13. The City, represented by the Mayor, City Manager or the City Code Inspector, shall upon 48 hours notice to "Company" and only once per calendar month, have the right of access to the Premises during construction and afterward to inspect the Improvement at reasonable times and with reasonable notice to "Company", and in accordance with "Company" and regulatory visitor access and security policies, in order to insure that the construction and maintenance of the Improvements are in accordance with this agreement.
- 14. Beginning no later than 2018, "Company" shall add not less than fifteen (15) new full-time employee on the Premises within the first three (3) years of operation. "Company" shall report and certify the requisite job levels hereunder to the City on or before April 1st of each tax year under this Agreement.

VIII. GENERAL REQUIREMENTS

- 15. Construction plans will be filed with the City, which shall be deemed incorporated by reference herein, along with application for a building permit, and made a part hereof for all purposes if applicable to any aspect of the refurbishing improvements.
- 16. After completion of the Improvements, Owner shall certify in writing to the City the construction cost of the Improvements.

17. "Company" shall, prior to April 1 of each calendar year, annually certify in writing to the City that they are in compliance with each term of the Agreement.
18. The Premises shall be used in the manner (i) that is consistent with the City's Comprehensive Zoning Ordinance, as amended, and (ii) that, during the period taxes are abated hereunder, is consistent with the general purposes of encouraging development or redevelopment within the Zone.
19. The "Company" agrees to continuously occupy the Improvements for a period of Four (4) years commencing the First Year of Abatement.

IX. DEFAULT: RECAPTURE OF ABATED TAX

20. In the event the "Company": (i) fails to complete the Improvements in accordance with this Agreement or in accordance with applicable State or local laws, codes or regulations; (ii) has delinquent Ad Valorem or sales taxes owed to the City with respect to the Premises and or the Tangible Personal Property (provided such party retains its right to timely and properly protest such taxes or assessment); (iii) has an "Event of Bankruptcy or Insolvency"; or (iv) breaches any of the terms and conditions of this Agreement, then "Company", after the expiration of the notice and cure periods described below, shall be in default of this Agreement (the "Defaulting party"). As liquidated damages in the event of such default, the "Company" shall, within thirty (30) days after demand, pay the City all taxes which otherwise would have been paid to the City without benefit of a tax abatement with interest at the statutory rate for delinquent taxes as determined by Section 33.01 of the Tax Code, as amended, but without penalty. The parties acknowledge that actual damages in the event of default termination would be speculative and difficult to determine. The parties further agree that any abated tax, including interest as a result of this Agreement, shall be recoverable against the "Company", its successors and assigns and shall constitute a tax lien on the Premises and/or the Tangible Personal Property, as the case may be, shall become due, owing and shall be paid to the City within thirty (30) days after termination.
21. Upon breach by "Company" of any obligations under this Agreement, the City shall notify the "Defaulting Party" in writing. "Company" shall have thirty (30) days from the receipt of the notice in which to cure any such breach. If the breach cannot reasonably be cured within a thirty (30) day period, and the "Company" has diligently pursued such remedies as shall be reasonably necessary to cure such breach, then the City may extend the period in which the breach must be cured.
22. If the "Company" fails to cure the breach within the time provided as specified above or, as such time period may be extended, then the City at its sole option shall have the right to terminate this Agreement by written notice to "Company".
23. Upon termination of this Agreement by City, all tax abated as a result of this Agreement shall become a debt to the City as liquidated damages, and shall become due and payable not later than thirty (30) days after a notice of termination is made. The City shall have all remedies for the collection of the abated tax provided generally in the Tax Code for the collection of delinquent property tax. The City at its sole discretion has the option to provide a repayment schedule. The computation of the abated tax for purpose of the Agreement shall be based upon the full Taxable Value of the Improvements and the Tangible Personal Property without tax abatement for the years in which tax abatement hereunder was received by "Company", with respect to the Improvements and Tangible Personal Property as determined by the Appraisal District, multiplied by the tax rated of the years in question, as calculated by the Tax Assessor-Collector respectively. The liquidated damages shall incur penalties as provided for delinquent taxes and shall commence to accrue after expiration of the thirty (30) day payment period.

X. ANNUAL APPLICATION FOR EXEMPTION; RENDITION

- 24. It shall be the responsibility of the "Company" pursuant to the Tax Code, to timely file an annual exemption application form with the Chief Appraiser for each Appraisal District in which the eligible taxable property has situs. A copy of the exemption application shall upon written request be submitted to the City.
- 25. "Company" shall annually render the value of the Improvements and Tangible Personal Property to the Appraisal District and provide a copy of the same to the City.

XI. SUCCESSORS AND ASSIGNS

- 26. This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may be assigned with written consent of the City Manager. After any permitted assignment, all references to "Company" herein shall thereafter be a reference to such successor with respect to any obligations or liabilities occurring or arising after the date of such assignment.

XII. NOTICE

- 27. All notices required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand or overnight delivery:

If intended for the "Company"
Lee Kleman
Business Development
Livestock Nutrition Center, LLC
5860 Ridgeway Center Parkway #240
Memphis, TN 38120
If intended for City of Cameron
Attn: Mayor (with copy to City Manager)
100 South Houston
PO Box 833
Cameron, TX 76520

XIII. AUTHORIZATION

- 28. This Agreement was authorized by ordinance of the City Council approved by its Council meeting authorizing the Mayor to execute this Agreement on behalf of the City.

XIV. SEVERABILITY

- 29. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

XV. APPLICABLE LAW

- 30. This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Milam County, Texas.

XVI. COUNTERPARTS

31. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

XVII. ENTIRE AGREEMENT

32. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

XVIII. COVENANT RUNNING WITH THE PREMISES

33. The provisions of this Agreement are hereby declared covenants running with the Premises and are fully binding on all successors, heirs, and assigns of Owner who acquire any right, title, or interest in or to the Premises, or any part thereof. Any person who acquires any right, title or interest in or to the Premises, or any part hereof, thereby agrees and covenants to abide by and fully perform the provisions of this Agreement with respect to the right, title, or interest in such Premises.

XIX. RECORDATION OF AGREEMENT

34. A certified copy of this Agreement shall be recorded in the Deed Records of Milam County, Texas.

XX. INCORPORATING OF RECITALS

35. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

XXI. INCORPORATION OF EXHIBITS

36. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

City Manager JRhett Parker reviewed the Interagency Cost Reimbursement Agreement for the Tourism Retail Director. According to JRhett, all other organizations have reviewed the agreement and will be presenting to their boards once Council approves. The City will postpone work for the City Hall in order to fund in the budget this year.

Council Member Williams ask that the following changes be made to the agreement:

- Amend the title of the position to Tourism and Retail Director
- Specify that the Chamber of Commerce will be responsible for all operation costs
- Compensation is annually
- That this position is At-Will

Council Member Schiller moved to approve the agreement with the noted changes. Council Member Williams seconded the motion and it carried unanimously.

Council Member Mondrik moved to approve the expenditures of February 4, 2017 to February 17, 2017. Council Member Schiller seconded the motion and it carried unanimously.

The following expenditures exceeded \$25,000.00:

- Classic Bank \$70,694.25
- Progressive Waste Solutions \$32,398.86
- BOKF, NA \$49,617.25
- CEDC \$27,334.73

Council Member Davis moved to approve the January 2017 Financial Report as presented. Council Member Williams seconded the motion and it carried unanimously.

JANUARY 2017 REVIEW

33.00%

General Revenues	1,409,219.97	39.15		HOT Revenues	\$110,135.02
EXPENSES				HOT Expenses	\$10,000.00
Street Dept.	256,571.43	31.51		HOT Profit	\$100,135.02
Fire Dept.	\$44,474.78	31.41		Lib Revenues	\$27,601.38
Police Dept.	\$482,551.56	46.26		LIB Expenses	\$1,683.39
Court	\$19,542.05	31.1		Lib Profit	\$25,917.99
Library	\$23,219.86	31.55		Fire Revenues	\$28,548.89
Ambulance	\$51,805.83	48.92		Fire Expenses	\$3,451.89
Other Operating Exp	\$144,747.78	33.33		Fire Profit	\$25,097.00
Cemetery & Parks	\$30,966.78	19.71			
Administration	\$108,729.74	28.99			
Debt Service	\$308,422.52	78.72			
Total Expenses	\$1,471,032.33	40.87			
GF Fund Loss	-\$61,812.36				

The City Council went into Executive Session at 6:47 p.m. The Executive Session was held to discuss the following:

- §551.074 to deliberate about personnel matters regarding Police Chief Position

The City Council ended the Executive Session at 7:27 p.m. and resumed the regular session.

Council Member Schiller moved to appoint Mayor Connie Anderle, Council Member Robert Davis and City Manager JRhett Parker to a committee to review and recommend three to five candidates to be interviewed by the Council for the Police Chief position. Council Member Williams seconded the motion and it carried unanimously.

There being no further business for the Council to consider, Council Member Schiller moved to adjourn the meeting at 7:28 p.m. Council Member Williams seconded the motion and it carried unanimously.