

May 7, 2018

A City Council workshop and regular meeting was held on the above date in the City Council Chamber, 100 South Houston Avenue with all officers and members present except the vacant position of Ward 3.

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

City Manager JRhett Parker reviewed the agenda items.

City Manager JRhett Parker reviewed the following items of interest:

- Election canvass scheduled for May 14, 2018
- Recognition of Council Member Mondrik will be held May 14, 2018
- Newly elected members will be sworn in on May 21, 2018
- Yoe Nation Reads signs are going up tomorrow throughout the town to encourage students to read through the summer.

Mayor Anderle called the regular meeting to order at 5:39 p.m.

Lonnie Lenued offered the invocation.

Council Member Mondrik led the pledge of allegiance.

There were no citizen's comments at this time.

Council Member Schiller moved to approve the minutes of the regular meeting on April 2, 2018. Council Member Willie seconded the motion and it carried unanimously.

Council Member Hardeman moved to approve the following Ordinance on its second and final reading. Council Member Schiller seconded the motion and it carried unanimously.

ORDINANCE NO. 2018-05-07-006

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMERON, TEXAS RE-ADOPTING GUIDELINES, REGULATIONS AND PROVISIONS FOR TAX ABATEMENT AGREEMENTS AND REINVESTMENT ZONES; AMENDING CERTAIN GUIDELINES, REGULATIONS AND PROVISIONS FOR TAX ABATEMENT AGREEMENTS AND REINVESTMENT ZONES; PROVIDING FOR SEVERABILITY; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR NOTICE OF THIS ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE.

Council Member Schiller moved to approve the following Resolution. Council Member Hardeman seconded the motion and it carried unanimously.

RESOLUTION NO. 2018-05-07-007

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMERON, TEXAS STATING THAT THE CITY ELECTS TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENTS; PROVIDING FOR SEVERABILITY; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR NOTICE OF THIS RESOLUTION; AND ESTABLISHING AN EFFECTIVE DATE.

Whereas, the City adopted Article 11.06 of the City's Code of Ordinances that provides for guidelines, rules, and regulations for tax abatement agreements and reinvestment zones;

Whereas, the City of Cameron seeks to express its intent and elects to become eligible to participate in tax abatements.

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

SECTION 1. Findings. The recitals above are hereby found to be true and correct and are hereby adopted by the City Council and made part hereof for all purposes as finding of fact.

SECTION 2. Election. Pursuant to Texas Tax Code Chapter 312, the City hereby elects to become eligible to participate in tax abatements and tax abatement agreements as authorized by said Chapter.

SECTION 3. Severability. It is hereby declared that the sections, paragraphs, sentences, clauses and phrases of this resolution are severable and, if any phrase, clause, sentence, paragraph or section of this resolution shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this resolution, since the same would have been enacted by the city council without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4. Repealing Conflicting Resolutions. All resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict herewith.

SECTION 5. Effective Date. This resolution shall take effect immediately from and after its adoption and it is accordingly so resolved.

Signed this 7th day of May, 2018.

Mayor Anderle opened a public hearing at 5:40 p.m. for the purpose of receiving public comments regarding the creation of a reinvestment zone for the purpose of offering ad valorem tax abatement to Charlotte Pipe and Foundry.

CEDC Director Ginger Watkins explained that Charlotte Pipe and Foundry is looking to expand by investing \$4.2 million in equipment and building over the next two years. They will continue to retain 48 employees.

Council Member Hardeman asked if any new employees were planned. Unfortunately not at this time; however, they will retain the current number of employees. Council Member Williams asked what requirements were needed from the City. Mrs. Watkins answered that no other requirements were needed as they have already been met.

Mayor Anderle closed the public hearing at 5:43 p.m.

Mayor Anderle read the first reading of the following ordinance.

ORDINANCE No. _____
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMERON, TEXAS, DESIGNATING REINVESTMENT ZONE #2018-001 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, AND DECLARING AN EMERGENCY.

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 7th day of May, 2018, 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

NOW, THEREFORE, BE IT ORDAINED 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 #2018-001 of the City of Cameron, Texas.

Section 5: The zone shall take effect on May 21, 2018, and shall remain designated as a commercial/industrial reinvestment zone for a period of five (5) 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 \$1,000,000.00 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. _____ 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 ABATMENT AGREEMENT

I. PARTIES:

This Tax Abatement Agreement (the "Agreement") is entered into by and between the City of Cameron, Texas (the "City"), and Charlotte Pipe and Foundry Company (the "Company"), acting by and through Lois Warren, authorized representative of Charlotte Pipe and Foundry 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 Charlotte Pipe and Foundry Company property Charlotte Pipe and Foundry Company at 2400 Blake Avenue in Cameron, Texas; and

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 in the attached Exhibit A (the "Land") and intends to construct certain improvements (hereinafter defined as the "Improvements") on the Land; and

WHEREAS, the Company's development efforts described herein will retain at least 48 full time equivalent permanent new jobs in the City, unless otherwise authorized; 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 retention 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. 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, 2024. The abatement hereunder shall amount to an abatement of 80% of the City ad valorem taxes in any Taxable Year covered by this agreement.

7. The value of the real estate improvements on which the abatement is based is \$4,281,552.00 or the valuation as of January 1, 2018 as determined by the Milam County Appraisal District, whichever is less.

(a) In calendar year 2018, Company seeks to make an additional total investment of \$2,173,309 in real property, machinery, and equipment available for abatement pursuant to the Tax Abatement Guidelines for the Premises. For said new investment, the Tax Abatement Schedule is as follows:

\$2,173,309 X's 80% = \$1,738,663 dollars, on which tax is initially abated.

YEAR 2019	...	80%
YEAR 2020	...	80%
YEAR 2021	...	80%
YEAR 2022		80%

(b) In calendar year 2019, Company seeks to make an additional total investment of \$1,054,121 in real property, machinery, and equipment available for abatement pursuant to the Tax Abatement Guidelines for the Premises. For said new investment, the Tax Abatement Schedule is as follows:

\$1,054,121 X's 80% = \$843,297 dollars, on which tax is initially abated.

YEAR 2020	...	80%
YEAR 2021	...	80%
YEAR 2022	...	80%
YEAR 2023		80%

(c) In calendar year 2020, Company seeks to make an additional total investment of \$1,054,121 in real property, machinery, and equipment available for abatement pursuant to the Tax Abatement Guidelines for the Premises. For said new investment, the Tax Abatement Schedule is as follows:

\$1,054,121 X's 80% = \$843,297 dollars, on which tax is initially abated.

YEAR 2021	...	80%
YEAR 2022	...	80%
YEAR 2023	...	80%
YEAR 2024		80%

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 (2018).
 - 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, 2019, 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 Milam County Appraisal District as of January 1 of a given year.

VI. IMPROVEMENTS

- 10. Company owns or will own the Land in fee and agrees to update and enhance Company's manufacturing equipment in order to keep the manufacturing facilities on the Land modern, automated, and well maintained; and update office facilities and maintenance of manufacturing buildings. 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 with the year described in Section 7, 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 Company 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 only for the purposes described above.
- 13. The City, its agents employees shall have the right of access to the Premises during construction and afterward to inspect the Improvements at reasonable times and with reasonable notice to Company, and in accordance with Company visitor access and security policies, in order to insure that the construction and maintenance of the Improvements are in accordance with this Agreement.
- 14. Company shall employ and maintain a level of not less than forty-eight (48) full-time equivalent employees on the Premises, during the period of Abatement as provided herein. However, if during the term of this Agreement, Company experiences negative economic conditions that requires a reduction in force within the City, Company may reduce the number of full-time equivalent employees, but in no event shall it reduce the number of employees to less than thirty-five (35) full-time equivalent employees. 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. Company agrees to continuously occupy the Improvements for a period of Eight (8) or more 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 such party, 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, 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 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 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 with respect to the Defaulting Party by written notice to, as the case may be.
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, as the case may be, 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 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 as the case may be, 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
Lois Warren
Senior Vice President & Controller
Charlotte Pipe and Foundry
P.O. Box 35430
Charlotte, NC 28235

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 resolution 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.

XXII. CHANGES IN LAWS

37. This Agreement is authorized pursuant to Chapter 312 of the Texas Tax Code. During the term of this Agreement, if changes, expiration, or re-adoption of any statute, law, or rule that governs tax abatements necessitate a renegotiation of this Agreement, the Parties shall act in good faith to ensure that the intent of this Agreement is met, unless otherwise agreed to by the Parties. If any change or expiration of any statute, law, or rule voids or hinders the ability of the City to honor this Agreement, this Agreement shall become null and void and the City's obligations hereunder shall be discharged without penalty.

Mayor Anderle opened a public hearing at 5:44 p.m. for the purpose of receiving public comments regarding a variance request to place a HUD code manufactured home at 1108 Vogelsang.

Lonnie Lenued spoke on behalf of Aileen Brown. Ms. Brown is planning on purchasing a 28' by 76' HUD code manufactured home. Ms. Brown presented a picture of the model home she is purchasing. The property is 150' x 173' so the set-backs can be met. Ms. Brown confirmed that the property and home will be in her name.

Mayor Anderle closed the public hearing at 5:46 p.m.

Upon recommendation to approve by the Planning and Zoning Commission, Council Member Schiller moved to approve the request. Council Member Mondrik seconded the motion and it carried unanimously.

Raymond Lara requested use of downtown for the 2nd Annual Mary Lara Memorial Car Show to be held on May 20, 2018. Mr. Lara stated that money will be raised for scholarships for area students. The car show will be similar to last year. A DJ will be present for entertainment, restrooms will be provided and Mr. Lara asked to use barricades.

Council Member Williams moved to approve the use of barricades and downtown square as requested. Council Member Willie seconded the motion and it carried unanimously.

Council Member Williams moved to approve the request for use of the horseshoe pits for the Horseshoe Club's upcoming tournaments. Council Member Schiller seconded the motion and it carried unanimously.

Council Member Schiller moved to approve the following ordinance on its second and final reading. Council Member Williams seconded the motion and it carried unanimously.

SECTION 2.ORDINANCE NO. 2018-05-07-015

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMERON, TEXAS REGULATING STOPPING, STANDING, PARKING, AND THE DISCHARGE OR PICK UP OF PASSENGERS ON CERTAIN STREETS AT CERTAIN TIMES; PROVIDING FOR AFFRIMATIVE DEFENSES; PROVIDING FOR EXCEPTIONS; ESTABLISHING A FINE FOR VIOLATION OF THIS ORDINANCE IN AN AMOUNT NOT TO EXCEED \$200.00; PROVIDING FOR SEVERABILITY; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR NOTICE OF THIS ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City seeks to provide a safe environment for school children to be taken to school and picked up thereafter;

WHEREAS, discharging and picking up passengers along City streets is dangerous to the public health and welfare; and

WHEREAS, the City of Cameron seeks to prohibit the offenses described below.

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

SECTION 1. Findings. The recitals above are hereby found to be true and correct and are hereby adopted by the City Council and made part hereof for all purposes as finding of fact.

SECTION 2. Parking not to obstruct traffic.

(a) The chief of police and members of the police department, both regular and reserve officers, are empowered to enforce this Ordinance.

(b) Except as provided in subsections (c), the operator of any motor vehicle or other conveyance shall not stop, stand, park, or leave standing an attended or unattended motor vehicle or momentarily pick up or discharge a passenger on any portion of a street, roadway, or highway described below, provided signs are posted indicating the prohibition:

- (1) East 12th Street between North Fannin Avenue and North Lee Avenue;
- (2) North Fannin Avenue between East 21st Street and Northwest Corner of the Cameron Independent School District property line
- (3) East 22nd Street between North Fannin Avenue and East 21st Street;
- (4) East 21st Street between North Fannin Avenue and North Hoover Avenue;
- (5) North Washington Avenue between East 18½ Street and East 22nd Street.

(c) The restrictions described in subsection (b) above are limited to the following times on days when schools within the Cameron Independent School District are in session and conducting school:

- (1) 7 a.m. to 9 a.m.; and
- (2) 2 p.m. and 5 p.m.

(d) **Affirmative Defenses.** It shall be an affirmative defense to prosecution for a violation of this ordinance if the motor vehicle is disabled and it is impossible to avoid stopping and temporarily leaving the vehicle.

(e) **Exception.** The operator of an authorized emergency vehicle (as defined by state law) is exempt from this Ordinance when responding to an emergency call, conducting a traffic stop, or otherwise carrying out his or her official duties.

SECTION 3. Penalty. Any person convicted of violating any provision of this Ordinance shall be guilty of a misdemeanor and shall be subject to a fine in an amount not to exceed \$200.00 per offense.

SECTION 4. Severability. It is hereby declared that the sections, paragraphs, sentences, clauses and phrases of this ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the city council without the incorporation of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 5. Repealing Conflicting Ordinances. All ordinances and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict herewith.

SECTION 6. Publication. The City Council hereby directs the City Secretary to publish the caption of this ordinance as required by the Texas Local Government Code.

SECTION 7. Effective Date. This ordinance shall take effect immediately from and after its adoption and it is accordingly so ordained.

Mary Gibson, representing United in Christ Ministry, requested use of Wilson Ledbetter Park on June 23, 2018 for community wide Faith Fest. Ms. Gibson stated that all churches come together to worship with singing, praise dancing and mini sermons. Faith Fest is scheduled from 10 a.m. to 6 p.m. Ms. Gibson stated that event insurance has been attained an additional restrooms will be available. Ms. Gibson asked to use the City's barricades.

Council Member Williams approve the request to use Wilson Ledbetter Park on June 23, 2018 for community wide Faith Fest. Council member Hardeman seconded the motion and it carried unanimously.

Mr. Norandino Martinez requested removal of interest and penalties on property located at 12th Street and Rusk Avenue. Mr. Martinez purchased the property from an individual and did not

realize the property had \$14,272.20 worth of liens and interest. Mr. Martinez is willing to pay \$2,584.65 worth of liens and is asking that the previous payments of \$25.04 and \$300.00 be credited to the balance of the liens. The balance owed would be \$2,259.61 with \$11,687.55 being forgiven.

Council member Williams moved to grant payment of liens within 5 months and waive penalties and interest assessed on property. Council Member Willie seconded the motion and it carried unanimously.

Council Member Schiller moved to approve the following resolution. Council Member Hardeman seconded the motion and it carried unanimously.

RESOLUTION NO. 2018-05-07-018

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF 11 CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.

- WHEREAS, the City of Cameron is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the city; and
- WHEREAS, the Steering Committee has historically intervened in Oncor rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and
- WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, and legislative activity, affecting transmission and distribution utility rates; and
- WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor; and
- WHEREAS, the Steering Committee functions under the direction of an Executive Committee which sets an annual budget and directs interventions before state and federal agencies, courts and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and
- WHEREAS, the Executive Committee in its December 2017 meeting set a budget for 2018 that compels an assessment of eleven cents (\$0.11) per capita; and
- WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

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

I.

That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Cameron and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.

II.

The City is further authorized to pay its assessment to the Steering Committee of eleven cents (\$0.11) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.

III.

A copy of this Resolution and the assessment payment check made payable to "Steering Committee of Cities Served by Oncor" shall be sent to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

Council Member Schiller moved to approve the following resolution. Council Member Willie seconded the motion and it carried unanimously.

RESOLUTION NO. 2018-05-07-019

A RESOLUTION OF THE CITY OF CAMERON, TEXAS FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION FOR APPROVAL OF A DISTRIBUTION COST RECOVERY FACTOR PURSUANT TO 16 TEX. ADMIN. CODE § 25.243 TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Cameron, Texas ("City") is an electric utility customer of Oncor Electric Delivery Company LLC ("Oncor" or "Company"), and a regulatory authority with an interest in the rates and charges of Oncor; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor ("OCSC"), a membership of similarly situated cities served by Oncor that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in Oncor's service area; and

WHEREAS, on or about April 5, 2018 Oncor filed with the City an Application for Approval of a Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 48231, seeking to increase electric distribution rates by approximately \$19,002,177; and

WHEREAS, all electric utility customers residing in the City will be impacted by this ratemaking proceeding if it is granted; and

WHEREAS, Cities are coordinating its review of Oncor's DCRF filing with designated attorneys and consultants to resolve issues in the Company's application; and

WHEREAS, Cities members and attorneys recommend that members deny the DCRF.

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

Section 1. That the City is authorized to participate with Cities in PUC Docket No. 48231.

Section 2. That subject to the right to terminate employment at any time, the City of hereby authorizes the hiring of the law firm of Lloyd Gosselink and consultants to negotiate with the Company, make recommendations to the City regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

Section 3. That the rates proposed by Oncor to be recovered through its DCRF charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

Section 4. That the Company shall continue to charge its existing rates to customers within the City.

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by Oncor within 30 days of presentation of an invoice to Oncor.

Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 7. That a copy of this Resolution shall be sent to Stephen N. Ragland, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202 and to Thomas Brocato, General Counsel to the Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

Council Member Mondrik moved to approve the expenditures of March 31, 2018 to May 4, 2018. Council Member Schiller seconded the motion and it carried unanimously.

The following expenditures exceeded \$25,000.00:

- Bell Contractors \$80,707.22
- State Comptroller \$34,091.20
- Waste Connections of Texas \$33,231.14
- American Medical Response \$25,813.35

Council Member Schiller moved to approve the March 2018 Financial Report as presented. Council Member Hardeman seconded the motion and it carried unanimously.

MARCH 2018 REVIEW

50.00%

<hr/>			HOT Revenues	\$129,637.94
General Revenues	2,270,409.38	65.6	HOT Expenses	\$14,764.75
EXPENSES			<hr/> HOT Profit	\$114,873.19
Street Dept.	356,191.63	58.61		
Fire Dept.	\$56,915.18	42.94	Lib Revenues	\$38,769.20
Police Dept.	\$587,066.96	51.94	LIB Expenses	\$2,389.96
Court	\$22,120.02	35.09	<hr/> Lib Profit	\$36,379.24
Library	\$30,058.52	44.5		
Ambulance	\$53,933.79	50.93	Fire Revenues	\$44,029.02
Other Operating Exp	\$245,030.29	49.48	Fire Expenses	\$14,872.62
Cemetery & Parks	\$42,058.96	29	<hr/> Fire Profit	\$29,156.40
Administration	\$177,311.19	56.25		
Debt Service	\$352,595.19	88.5		
			CDBG	
Total Expenses	\$1,923,281.73	55.57	#7216081	
			CDBG	
GF Fund Profit	\$347,127.65		Revenues	\$153,598.06
			CDBG Expenses	\$144,523.06
Water & Sewer Revenues	\$1,450,746.66	48.17	<hr/> Project Balance	\$9,075.00

EXPENSES

Water Maintenance	\$302,287.57	62.92
Water Treatment	\$131,792.15	34.38
Sewer Treatment	\$152,027.55	44.94
W & S Administration	\$340,758.82	42.58
Bond Retirement	\$917,799.60	90.93
<u>Total Expenses</u>	<u>\$1,844,665.69</u>	<u>61.25</u>

<u>Water & Sewer Loss</u>	<u>-\$393,919.03</u>	
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Airport Revenues	\$26,557.31	52.59
Airport Expenses	\$27,795.66	55.04
<u>Airport Loss</u>	<u>-\$1,238.35</u>	

TWDB-DWSRF-LF1000534	
DWSRF	
Revenues	\$1,518,122.78
DWSRF	
Expenses	\$1,517,622.78
<u>Project Balance</u>	<u>\$500.00</u>

TWDB-DWSRF-L1000517	
DWSRF	
Revenues	\$4,152.40
DWSRF	
Expenses	\$1,826.20
<u>Project Balance</u>	<u>\$2,326.20</u>

TWDB-CWSRF-L1000516	
CWSRF	
Revenues	\$3,821.02
CWSRF	
Expenses	\$1,660.51
<u>Project Balance</u>	<u>\$2,160.51</u>

TWDB-CWSRF-LF1000523	
CWSRF	
Revenues	\$0.00
CWSRF	
Expenses	\$0.00
<u>Project Balance</u>	<u>\$0.00</u>

There being no further business for the Council to consider, Council Member Schiller moved to adjourn the meeting at 6:34 p.m. Council Member Hardeman seconded the motion and it carried unanimously.