

AGENDA

CITY COUNCIL AND PLANNING & ZONING COMMISSION JOINT MEETING

AUGUST 21, 2023

6:00 P.M.

FATE CITY HALL

1900 CD BOREN PARKWAY

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL AND THE PLANNING AND ZONING COMMISSION OF THE CITY OF FATE WILL HOLD A JOINT MEETING AT 6:00 P.M. ON MONDAY, AUGUST 21, 2023 AT FATE CITY HALL, 1900 CD BOREN PARKWAY, FATE, TEXAS, FOR THE FOLLOWING PURPOSES:

1. CITY COUNCIL CALL TO ORDER AND CONFIRM A QUORUM

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO THE AMERICAN AND TEXAS FLAGS

3. PRESENTATIONS

A. Jon Thatcher Day Proclamation

[Documents:](#)

[jon thatcher - city attorney proclamation 2023.pdf](#)

B. Updated Fiscal Analysis Checklist

[Documents:](#)

[fiscal checklist update_staff summary_20230821.pdf](#)

4. PUBLIC COMMENT

This Is An Opportunity For The Public To Address The Council On Any Matter, Except Public Hearings That Are Included On The Agenda. Comments Related To Public Hearings Will Be Heard When The Specific Hearing Begins. Public Comments Are Limited To Three (3) Minutes Per Speaker, Unless Otherwise Required By Law. To Address The Governing Body, Each Speaker Must Complete A Public Comment Form And Present The Completed Form To The City Secretary Prior To The Start Of The Meeting. Each Speaker Shall Approach The Podium And State His/Her Name And Address Before Speaking. Speakers Shall Address The Governing Body With Civility That Is Conducive To Appropriate Public Discussion. Speakers Can Address Only The Governing Body And Not Individual City Officials Or Employees. The Public Cannot Speak From The Gallery But Only From The Podium. Per The Texas Open Meetings Act, The Governing Body Is Not Permitted To Take Action On Or Discuss Any

Item Not Listed On The Agenda. The Council May: (1) Make A Statement Of Fact Regarding The Item; (2) Make A Recitation Of Existing Policy Regarding The Item; Or (3) Propose The Item Be Placed On A Future Agenda.

5. CONSENT AGENDA

All Items Under Consent Agenda Are Considered To Be Routine By The City Council And Will Be Enacted By One Motion. There Will Not Be Separate Discussion Of These Items. If Discussion Is Desired, That Item Will Be Removed From The Consent Agenda And Will Be Considered Separately.

- A. Consider Approval Of Minutes Of The Council Meetings Held July 17, 2023 And July 31, 2023.

Documents:

[staff summary - minutes.pdf](#)
[2023.7.17.pdf](#)
[2023.7.31.pdf](#)

- B. Consider Approval Of Ordinance No. O-2023-026- Amending The City Of Fate Fee Schedule, As Codified In Appendix A, Article II, Section 2.3 Of The City Of Fate Code Of Ordinances To Comply With House Bill 3492, As It Relates To The Reviewing And Processing Of Subdivision Public Infrastructure-Related Fees And Inspection Costs.

Documents:

[ordinance updating fee schedule to comply with hb 3492 with staff report.pdf](#)

- C. Consider Approval Of Resolution No. R-2023-063- Calling A Public Hearing On Amending Land Use Assumptions And A Capital Improvements Plan Relating To Possible Amendments Of Impact Fees And Authorizing And Directing The City Secretary To Publish Notice Of Such Public Hearing.

Documents:

[staff summary call ph impact fees 2023.pdf](#)

- D. (This Is An Approval Of Three Fire Lane And Access Easements To Support Commercial Development) Consider Approval Of Resolution No. R-2023-064- Accepting Three Fire Lane And Access Easements From Fate Commercial Realty, LLC And Fate I-30 Commercial, LP On Property Located In The Dennis Thetford Survey, Abstract No. 208, City Of Fate, Rockwall County Texas, For The Commercial Development At The Northeast Corner Of I30 And WE Crawford.

Documents:

[nec i30 and we crawford fire lane and access easements_staff summary_20230821.pdf](#)

- E. (This Is A Proposed Developer Participation Agreement For Installation Of A 16-Inch Water Line In Rochelle Road) Consider Approval Of Resolution No. R-2023-065- Approving A Developer Participation Agreement With DR Horton – Texas, LTD That Establishes City Participation In A Developer-Installed, Impact Fee-Eligible 16-Inch Water Line In Rochelle Road, From Gettysburg Boulevard To I-30.

Documents:

[Documents:](#)

[rochelle water line development agreement_staff summary_20230821.pdf](#)

- F. Consider Ordinance No. O-2023-027- Amending Chapter 18, "Miscellaneous Offenses" Of The City Of Fate Code Of Ordinances, By Repealing Article II, Division 2, "Curfew", To Comply With House Bill 1819.

[Documents:](#)

[ordinance amending chapter 18 repealing juvenile curfew with staff report.pdf](#)

- G. Consider Approval Of Resolution No. R-2023-066- Approving A Negotiated Settlement Between The ATMOS Cites Steering Committee And ATMOS Energy Corp., Mid-Tex Division Regarding The Company's 2023 Rate Review Mechanism Filing.

[Documents:](#)

[resolution approving negotiated settlement regarding atmos 2023 rrm with staff report.pdf](#)

- H. Consider Approval Of Ordinance No. O-2023-028- Approving A Negotiated Settlement Between The City Of Fate And SiEnergy, LP Regarding The Company's Statement Of Intent To Increase Gas Utility Rates Within Its Service Territory.

[Documents:](#)

[ordinance approving negotiated settlement regarding sienergy rate increase 2023 with staff report.pdf](#)

- I. Consider Approval Of Ordinance No. O-2023-029- Establishing An Ad Valorem Tax Limitation For Residential Homestead Property Owners Of The City Of Fate Who Are Disabled Or 65 Years Of Age Or Older Pursuant To Article VIII, Section 1-B(H) Of The Texas Constitution And Section 11.261 Of The Texas Property Tax Code. (Senior Or Disabled Tax Freeze).

[Documents:](#)

[ordinance establishing tax limitation for seniors or disabled persons with staff report.pdf](#)

6. CITY COUNCIL ACTION ITEMS/PUBLIC HEARINGS

- A. Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-030- Approving The Williamsburg Public Improvement District No. 2 2023 Annual Service Plan Update Dated August 21, 2023, Including The Collection Of The Annual Installment Due January 31, 2024.

[Documents:](#)

[1_williamsburg_pid_2_annual_service_plan_and_assessment_roll.pdf](#)

- B. Conduct A Public Hearing And Consider Approval Of Ordinance No. O-2023-031- Related To The Williamsburg East Public Improvement District; Ratifying And Conforming Prior Actions Of The City Council In Connection With The District; Approving The 2023 O&M Annual Service Plan Update; Levying Assessments Against The Assessed Property To Pay For The Maintenance Of Authorized Improvements Within The District; And Making

Maintenance Of Authorized Improvements Within The District, And Making Certain Findings And Determinations Relating To The District.

[Documents:](#)

[2_williamsburg_east_oandm_annual_assessment_plan_and_assessment_roll.pdf](#)

- C. Conduct A Public Hearing And Consider Approval Of Ordinance No. O-2023-032- Related To The Monterra Public Improvement District; Ratifying And Conforming Prior Actions Of The City Council In Connection With The District; Approving The 2023 O&M Annual Service Plan Update; Levying Assessments Against The Assessed Property To Pay For The Maintenance Of Authorized Improvements Within The District; And Making Certain Findings And Determinations Relating To The District.

[Documents:](#)

[3_monterra_oandm_annual_service_plan_and_assessment_roll.pdf](#)

- D. Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-033- Approving The Monterra Public Improvement District 2023 Annual Service Plan Update Dated August 21, 2023, Including The Collection Of The Annual Installment Due January 31, 2024.

[Documents:](#)

[4_monterra_capital_annual_service_plan_and_assessment_roll.pdf](#)

- E. Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-034- Approving The Williamsburg East Public Improvement District 2023 Annual Service Plan Update Dated August 21, 2023, Including The Collection Of The Annual Installment Due January 31, 2024.

[Documents:](#)

[5_williamsburg_east_capital_annual_service_plan_and_assessment_roll.pdf](#)

7. PLANNING AND ZONING COMMISSION CALL TO ORDER AND CONFIRM A QUORUM

8. CITY COUNCIL AND PLANNING AND ZONING COMMISSION JOINT WORK SESSION TO DISCUSS VARIOUS RESIDENTIAL DENSITY AND HOUSING TYPE OPTIONS FOR 97-ACRE PROPERTY GENERALLY LOCATED ON THE NORTH SIDE OF STATE HIGHWAY 66, APPROXIMATELY 1,470 FEET WEST OF THE INTERSECTION OF SH 66 AND BEN PAYNE ROAD, RCAD PROPERTY ID'S 11223 & 11224, COMMONLY REFERRED TO AS THE STEVENSON PROPERTY.

9. PLANNING AND ZONING COMMISSION ADJOURNMENT

10. CITY COUNCIL ACTION ITEMS/PUBLIC HEARING

- A. Conduct A Public Hearing On The 2023 Tax Year Proposed Property Tax Rate For The City Of Fate, Texas.

[Documents:](#)

[public_hearing_agenda_5-2024.pdf](#)

- B. Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-035- Approving And Adopting The Budget For The Fiscal Year Beginning October 1, 2023 And Ending September 30, 2024; Approving Category Appropriations For Each Fund And Department; Providing For Fiscal And Budgetary Guidelines; Repealing Conflicting Ordinances; Providing A Severability Clause; And Declaring An Effective Date.

[Documents:](#)

[adopt and approve budget fy2024.pdf](#)

- C. Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-036- Ratifying The Property Tax Increase Reflected In The Adopted Budget For The Fiscal Year Beginning October 1, 2023 And Ending September 30, 2024 And Providing An Effective Date.

[Documents:](#)

[2_ratify_property_tax_increase_fy2024.pdf](#)

- D. Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-037- Affixing And Levying The Ad Valorem Taxes For The Fiscal Year Beginning October 1, 2023 And Ending September 30, 2024 At A Rate Of \$0.26421 Per \$100 Of Assessed Valuation On All Property Within The Corporate Limits Of The City Of Fate, Texas As Of January 1, 2023, And Approving All Other Matters Related Thereto.

[Documents:](#)

[levying_ad_valorem_tax_rate_fy2024.pdf](#)

- E. Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-038- Approving And Adopting Rates To Be Charged To The Customers For Solid Waste And Refuse Collection Services; Repealing Conflicting Ordinances; And Providing An Effective Date.

[Documents:](#)

[solid_waste_rate_increase_ord 2023.pdf](#)

- F. Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-039- Enacting A Street Maintenance Fee (Road Fee) On Residential Properties (Amending Chapter 30 Of The City Of Fate Code Of Ordinances, As Amended, By Adding A New Article VII, Street Maintenance Fee).

[Documents:](#)

[street maint fee ordinance 2023 with staff summary.pdf](#)

- G. (This Item Is To Consider A Request To Rename Water Tower Road)
Discuss, Consider, And Take Any Necessary Action Regarding Ordinance No. O-2023-040- Changing A Street Name From Water Tower Road To Fate Village Drive.

[Documents:](#)

11. MAYOR, COUNCIL, AND CITY MANAGER REPORTS

Regarding Items Of Community Interest – Pursuant To Texas Government Code Section 551.0415 The Mayor, Council And City Manager May Report On The Following Items: (1) Expression Of Thanks, Congratulations Or Condolences; (2) Information About Holiday Schedules; (3) Recognition Of Individuals; (4) Reminders About Upcoming City Council Events; (5) Information About Community Events; (6) Announcements Involving Imminent Threat To Public Health And Safety.

- A. Mayor's Report
- B. Council Reports
- C. City Manager's Report

12. EXECUTIVE SESSION: IN ACCORDANCE WITH TEXAS GOVERNMENT CODE, SECTION 551.001, ET SEQ., THE CITY COUNCIL WILL RECESS INTO EXECUTIVE SESSION (CLOSED MEETING) TO DISCUSS THE FOLLOWING:

- A. In Accordance With Texas Government Code, Section 551.076, To Deliberate The Deployment, Or Specific Occasions For Implementation, Of Security Personnel Or Devices; Or A Security Audit.
- B. In Accordance With Texas Government Code, Section 551.071, Consultation With Attorney Regarding Pending Or Contemplated Litigation Or A Settlement Offer And/Or On A Matter In Which The Duty Of The Attorney To The Governmental Body Under The Texas Disciplinary Rules Of Professional Conduct Of The State Bar Of Texas Clearly Conflicts With The Texas Open Meetings Act:

- 1. Blackland Road – 2342 Blackland Road

13. RECONVENE INTO REGULAR SESSION: IN ACCORDANCE WITH TEXAS GOVERNMENT CODE, CHAPTER 551, THE CITY COUNCIL WILL RECONVENE INTO REGULAR SESSION TO CONSIDER ACTION, IF ANY, ON MATTERS DISCUSSED IN EXECUTIVE SESSION

14. CITY COUNCIL ADJOURNMENT

In addition to any executive session already listed above, the City Council of the City of Fate reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code for the following purposes:

- §551.071 Consultations with Attorney
- §551.072 Deliberations regarding Real Property
- §551.074 Personnel Matters
- §551.076 Deliberations regarding Security Devices
- §551.087 Deliberations regarding Economic Development Negotiations

This building is wheelchair accessible. Any request for accommodations or interpretive services

must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (972) 771-4601 Ext. 103 for further information.

I certify that the above **NOTICE OF MEETING** was filed and posted on the Bulletin Board at City Hall, 1900 CD Boren Parkway, City of Fate, Texas on the 18th day of August, 2023, at 11:55 A.M. and remained so posted until removed as indicated below, pursuant to the Texas Open Meetings Act. This notice was likewise posted on the city website at www.fatetx.gov.

Victoria Raduechel, TRMC, City Secretary

Removed from the Bulletin Board at City Hall on the ____ day of _____, 2023, by

_____.



Proclamation

WHEREAS, we are here today to express our appreciation to Jon Thatcher and honor him for his dedicated service to the City of Fate; and

WHEREAS, Jon Thatcher, an accomplished and well-respected attorney, began representing the City of Fate in December 2021; and

WHEREAS, Jon's outstanding commitment to the City and the community has only been surpassed by his integrity, professionalism, and work ethic; and

WHEREAS, tirelessly devoted to serving the City's interest, Jon counseled the City Council, City Boards/Commissions, and City staff with grace and calm during periods of change and challenge; and

WHEREAS, Jon is beloved in the City for his municipal law knowledge, his intelligence and responsiveness, witty sense of humor, and dedication to the City of Fate.

NOW, THEREFORE, I, David Billings, Mayor of the City of Fate, on behalf of the City Council, do hereby proclaim August 25, 2023, as

"JON THATCHER DAY"

in the City of Fate, Texas, and encourage all citizens to join in expressing appreciation for Jon's dedication to the progress of Fate and extending best wishes for continued success in life's pursuits.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the Seal of the City of Fate, Texas, to be affixed this 21st day of August in the year 2023.

David Billings, Mayor



City Council Memorandum

To: Honorable Mayor and Members of the Fate City Council
Cc: Michael Kovacs, City Manager; Steven Downs, Assistant City Manager; Victoria Raduechel, City Secretary; Samantha Harris, Deputy City Secretary; Jonathan Thatcher, City Attorney
From: Ryan Wells, AICP, CFM, Director of Planning & Development Services
Date: 21 August 2023

Agenda Item: (This is a review of the updated fiscal analysis checklist) Discuss, consider, and take any necessary action on revisions to the fiscal analysis checklist used to calculate municipal fiscal impact of new development projects.

Action Requested: Council endorsement of revised fiscal analysis

Overview: The City of Fate has incorporated a municipal fiscal analysis component to land use project reviews since 2016. Having become increasingly aware of the financial consequences of the land use decisions being made by municipalities across the country and realizing that this was not often a major factor in evaluating projects coming into the city, Fate adopted the fiscal checklist as a prominent educational and contextual tool for decisionmakers in land use decision making.

The fiscal checklist is not a codified approval criterion because the City is continuously updating and improving the tool to be as precise and reflective of reality as possible. Though ultimately an imperfect model, the fiscal analysis has undergone multiple iterations to fine-tune the revenue and cost sides of the equation as they relate to myriad project types and situations.

As staff have used the fiscal checklist tool in recent years, there has been a consistent observation that the use of a per-unit cost model created disproportionate cost burdens on projects that had higher unit counts than lower density projects. As the costs are generally tied to General Fund expenses, including DPS, general administrative services, and other community services, it became clear that the cost factor was unnecessarily penalizing more productive residential and commercial projects while artificially maintaining an assumed lower cost to serve for more typical suburban residential projects. The fact is, whether a five-acre parcel has one house on it or 40 residential units, the overall cost to provide service to the property and city wide does not drastically change; however, the current fiscal model assumes a 40x cost burden to the City based on a standard per-unit cost.

Working with Felix Landry of Urbex Solutions, a Texas-based land use and fiscal analysis consulting firm (which was also a part of the Fate Unified Development Ordinance update team this past year), City staff revised the fiscal analysis to replace the per-unit cost model with a proportionate area cost model. This was based on the factors described above and is based on actual general fund budgeted amounts to reflect the city-wide cost. Further detail is found in the attached report.

The second element that was addressed in this fiscal analysis tool revision is the exclusion of the road replacement factor in the overall project cost calculation. Based on the realities of the City's budgeting policies, City staff have opted to remove the road replacement cost from the Revenue to Cost ratio calculation, while maintaining the figures in the worksheet to highlight the unfunded liability that the project introduces to the City through the long-term replacement obligation for public infrastructure. But



since the City does not currently budget a set-aside for annualized depreciation for the road infrastructure, it was not appropriate to encumber the project cost with this expense.

This revised fiscal analysis tool is proposed for Council review and endorsement. City staff are not proposing codification of the tool or methodology built therein. The attached report also includes an exhibit that provides actual-project comparisons of the current fiscal analysis tool (with road replacement costs removed from the Revenue to Cost ratio and annual City costs) against the new fiscal analysis tool that relies on a proportionate area cost.

Financial Considerations: None. The revised fiscal analysis tool is based on actual budgeting and allocation practices and reflect the City's best judgment of short- and long-term costs and revenues from land use projects. There are no direct costs associated with implementation of this revised tool.

Supporting Documents (enclosed):

Exhibit 1. Report on the Updated Development Fiscal Impact Calculator: City of Fate, TX 2023
(Felix Landry, Urbex Solutions)

Exhibit 1

REPORT on the UPDATED DEVELOPMENT FISCAL IMPACT CALCULATOR: CITY OF FATE, TX 2023

By Felix Landry, AICP

Introduction

In 2022 the City of Fate contracted with Urbex Solutions to update the assumptions built into the cost calculator the City uses to gauge the fiscal impact of proposed developments. The cost calculator serves to illustrate the potential cost burden the City will take on with a new development and compare it to the potential revenue that same development might generate through property and retail sales tax revenues.

The overall goal of tracking these kinds of Revenue/Cost calculations is to help determine how the City's overall development portfolio performs fiscally, and how each new development impacts the existing portfolio. It's not necessary that each development creates a net positive investment, but the overall portfolio should focus on generating enough revenue to cover needed costs. Some projects which create a net negative fiscal impact may bring some other amenity to the city that compensates for the cost. Discussions in this field should always consider the City's financing structure and tax rates, level of service provision, and development performance holistically.

This effort primarily focused on updating the cost assumptions incorporated into the cost calculator. After reviewing the current model and discussing it with staff the following items were identified as the primary focus of this effort:

1. Shifting from a cost assumption based on the number and type of new residential units and square feet of new office or commercial uses to a cost assumption based on proportionate service area.
2. Removing the future replacement cost of new road infrastructure for the immediate cost calculation.

Proportionate Costs

The fiscal impact calculator attempts to project how a proposed development might perform based on the cost of the services the City will provide and the revenue the development will generate. In that effort the projected cost and revenue estimates need to reflect the reality of how the City generates revenue and pays to cover costs as much as possible. The revenue generation is relatively straight forward, and the current method the City uses to calculate it operates adequately. Costs, though, are more complicated.

The costs covered by the general fund revenues often consist of services that citizens expect to be available whenever needed. This requires a static minimum annual cost to make sure it's available, especially for public safety services such as fire and police. What the City charges through its adopted property tax and retail sales tax rates to cover the ongoing cost of the facility or service will not fluctuate based on usage. The City adopts those rates annually and

they're based primarily on the previous year's budget. Those rates are applied uniformly across all properties and sales tax eligible purchases. The rates do not fluctuate for those paying the taxes based on how much they use the services and infrastructure.

However, the existing method the cost calculator uses to assign a cost value does not reflect this reality. The current method suggests a taxing system that adjusts the amount of taxes paid by a property based on what type of development resides on the property. The model requires a different cost calculation for new single family dwelling units, new multi-family dwelling units, and new commercial-industrial-office areas developed. This method focuses on trying to measure the potential level of use these developments might generate for public services with a cost of service that increases as the number of units or structural area increases. This method, however, does not reflect how the City charges for services and infrastructure, or account for other development characteristics which impact the return on investment (ROI) such as density.

The existing approach will penalize denser developments by using a static price increase. A single fire station has a static cost within its call volume. The cost is largely the same for zero calls in a year as it is for hitting 90% call capacity. That's because the City is covering the cost of the fire fighters remaining available to respond to a call, even when they're not actively on a call. Once a fire station is needed the cost of supporting the fire station should be distributed across all the properties within its service area that it will serve. If the service area has a low development density, then the cost for each property owner will be higher than if a denser development pattern existed. Denser development patterns both dilute the cost by distributing it to more users, and more easily cover the cost through higher levels of property and retail sales tax revenue. Fire and police protection are important services to consider as they're often the largest general fund budget items. Public safety absorbed 39% of the City of Fate general fund budget for fiscal year 2024.

The updated model assigns cost by proportionate area. Proportionate area assumes a consistent cost across an entire service area, which better reflects how the City generates revenues to cover the costs using fixed tax rates. It also accommodates denser development patterns in a more accurate manner, as the cost won't increase on a per unit basis, which avoids penalizing denser projects on the cost side. Proportionate area is calculated by taking the total area of tax generating properties and dividing the proposed development area by that total area. Then that ratio is multiplied by the City's overall budget to create its proportionate cost. A simple example, if the City's overall budget amounts to \$10,000 then a parcel that takes up 0.8% of the overall area of all tax generating parcels would carry a proportionate cost of \$80.

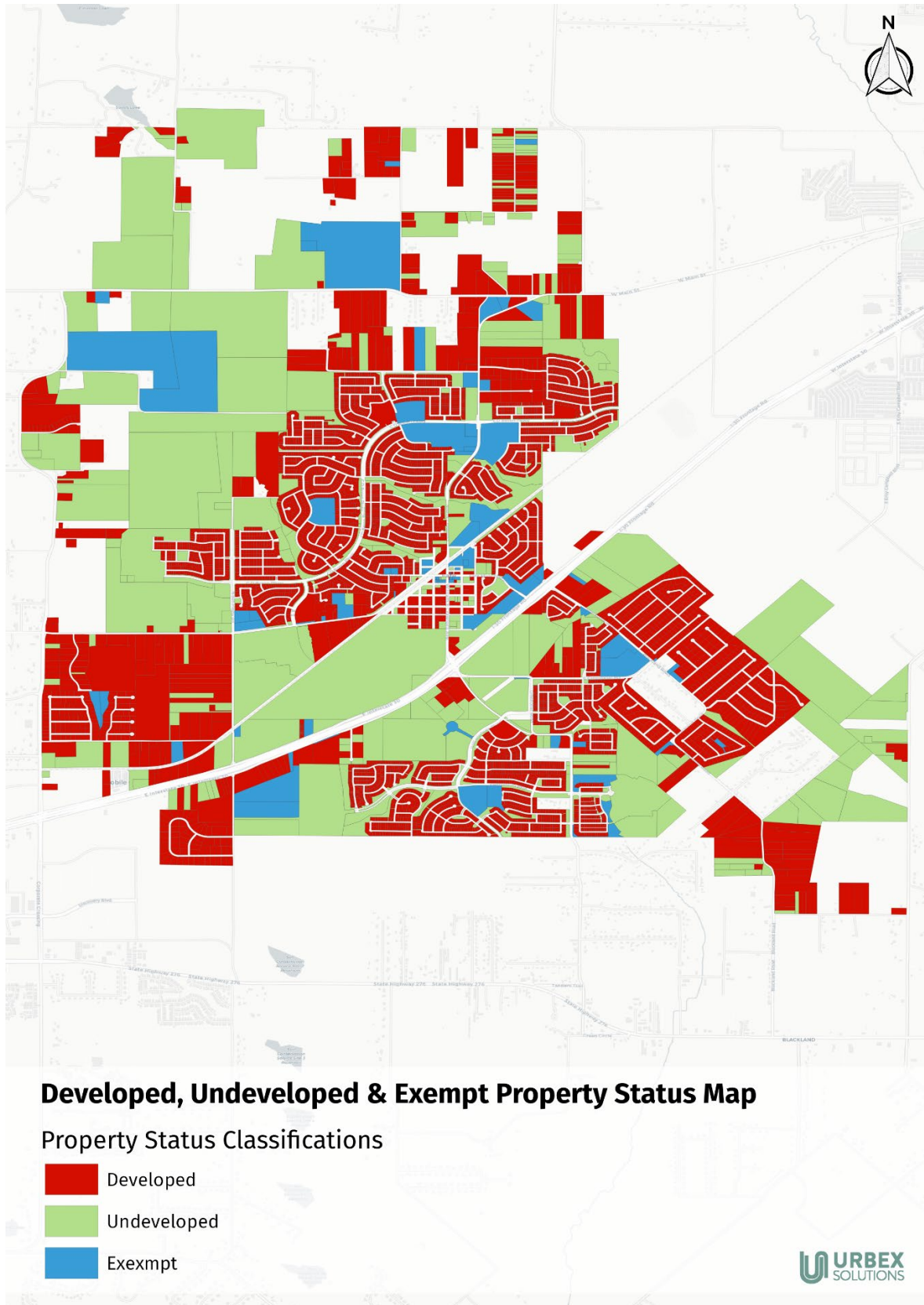
Many cities, including Fate, have some portions of town that remain largely undeveloped. In such cases the overall amount of budgeted money is divided into two buckets, a developed and undeveloped bucket. The updated calculator assigned 90% of the budget to the developed parcels and 10% to the undeveloped parcels. Undeveloped parcels have a proportionate area that is calculated using only 10% of the budgeted costs and its proportionate area is only derived from among other undeveloped parcels. The same is true again for developed parcels. Map 1 shows how the properties in Fate have been divided into undeveloped and developed parcels.

This approach has several advantages:

1. It allows for the City to consider the new development within the context of the entire city and the City's overall budget.
2. It increases the cost burden allocation to larger projects without penalizing them for building with higher densities, because as the overall footprint of the development increases so does its proportionate area and the amount of the money included in the budget.
3. It better reflects the relationship between how costs are created for the City and how the City generates revenue to cover those costs.
4. It's far more dynamic than using static cost per unit or square foot rates. Changes in the model will reflect overall changes to the City's development pattern and budget with each update.

The updated model uses this proportionate cost approach to calculate a potential project's fiscal impact.

MAP 1



Unfunded Road Maintenance

Many cities, including Fate, face an uncertain fiscal future with the amount of unfunded liabilities they regularly take on through new development. Cities have a variety of constraints to navigate when it comes to establishing a fiscal structure which fully covers their liabilities including some state legislation. Road infrastructure, for most cities, comprises the largest unfunded liability. Roads constitute one of the most essential services a city provides yet is often omitted from a city's operations and maintenance budget. Cities have historically funded major road maintenance work through a variety of other funding mechanisms including bonds and public improvement districts. Often, this means a city covering the cost through debt. Covering the cost of an essential service with debt increases the overall cost and creates uncertainty with the maintenance itself.

The City currently includes a cost estimate for long term road infrastructure maintenance in the cost calculator, though it doesn't actually set funds aside for a long-term road replacement fund. This puts the burden of covering the cost on the proposed development project though it doesn't reflect actual City budgeting practice. While its appropriate to keep that cost in mind, and bring it up as often as possible, it skews the cost calculator in a manner that makes all development projects look like lower performers than they truly are.

The City's budgeting process begins with projecting revenues, and then allocates those revenues according to needs. The calculator only models projected revenues based on existing funding structures. Therefore, to remain just it should likewise only consider the costs covered by those existing funding structures. When the calculator introduces a new cost beyond what the City budgets for without creating a new funding structure the development would be required to pay into then it creates an inherent unrecoverable loss for the development. That amounts to a cost penalty on the development project, when truly the City bears the responsibility of creating a budget that covers their costs. It's a difficult position for the City since its budgeting mechanisms operate under a variety of constraints such local tax rate caps created by the State. It's a discussion the City should have as often as possible, and with each new development proposed. However, it's not something a potential development should be responsible or penalized for.

Conclusions

These two updates created dramatic differences in the outcomes of test projects (see attached Exhibits). The outcomes are more defensible and more cohesive to how overall development patterns have performed fiscally in other studies. Moving forward the City will be able to use the updated calculator to better reflect the potential fiscal impact of future developments. In presenting the fiscal impact analysis, City staff will show the fiscal impact of the project based on the new methodology, while continuing to show the unfunded liability generated in the new road infrastructure associated with the project without including this cost in the overall ROI calculation.

Exhibit A

Fate Development Fiscal Analysis Spreadsheet

Project Name:

Avondale Phase 1

Date:

10/7/2021

Quick evaluation of any development's new contribution to, and demands from, the City of Fate.

Instructions: Enter estimates from County/plans/developer information in black outlined boxes.

Contribution to Paying for City Services		Descriptions
Land Market Value	\$ 1,638,670	Value of land according to the Appraisal District (most recent market land value, excluding exemptions)
Estimated New Development Market Value	\$ 181,125,000	Projected value of new development (per the developer)
Total Estimated Taxable Value	\$ 182,763,670	Sum of land value and new development value
City Property Tax Rate	0.217	Current city property tax rate (M&O only)
Expected Year 1 Property Tax to City	\$ 396,597	Tax rate applied to the total taxable value
Expected Property Taxes to City over 40 years	\$ 47,908,848	Year 1 property tax value extrapolated over 40 year timeframe with 5% annual escalation
Expected Taxable Sales Revenues	\$ -	Expected annual taxable revenue from sales
Sales Tax Rate	0.015	Current City sales tax rate
Expected Annual Sales Tax to City	\$ -	Sales tax rate applied to the expected annual taxable sales
Year 1 Contribution to City	\$ 396,597	Sum of expected property tax and sales tax to the City for Year 1
Ongoing Costs for Providing Services		Descriptions
Developed Acres	58.991	Number of acres within the development with proposed improvements
Total Estimated Public Road Replacement Cost	\$ 9,810,773	Estimated cost to replace public roads (0.25x for perimeter collector streets, 0.5x for internal; 0.5x for perimeter local streets, 1.0x for internal). Based on 2022 City Engineer est. of \$1.2 million per lane mile construction cost or developer's cost estimate.
Estimated Year 1 Public Road Cost	\$ 245,269	Total public road replacement cost divided by the number of years (40 on average) before infrastructure needs to be completely replaced; represents unfunded liability
Total Escalated Public Road Replacement Cost	\$ 23,306,844	Year 1 public road cost extrapolated over 40 year timeframe with 4% annual escalation; represents unfunded liability
New Single Family Units	234	Number of SF units proposed within the development
New Multifamily Units	-	Number of MF units proposed within the development
New Commercial/Industrial Square Feet	-	Amount of commercial or industrial square footage proposed within the development
Estimated Year 1 City Service Costs	\$ 333,450	[Est. cost to serve a SF unit (\$1,425) x # proposed units] plus [the est. cost to serve a MF unit (\$642) x # proposed units] plus [SF (commercial/industrial)/10,000 times \$1,425]
Productivity		Descriptions
Estimated Taxable Value Per Acre	\$ 3,098,162	Total Estimated Taxable Value divided by total acres
Estimate Net Value Per Acre	\$ 2,931,852	Total Estimated Taxable Value minus Public Road Replacement Cost, divided by total acres
Annual Project Net Revenue	\$ 63,147	Difference between the annual contribution to the city and total annual city cost (based on Year 1 values)
Gain/(Loss) over 40-year period	\$ 7,628,163	Total escalated expected property taxes (5%) plus total escalated expected sales taxes (5%) minus escalated annual city service costs (5%) over 40 years
Revenue to Cost Ratio	1.19 : 1	Year 1 estimated revenue divided by the annual cost to the city (>1:1 is net positive)
Private to Public Ratio	18.6 : 1	Total taxable value divided by total estimated road replacement cost (40:1 is net positive target)
Est Years to repay public liabilities	29	# of years from escalated cumulative property tax revenues to repay total escalated public road replacement cost

Fate Development Fiscal Analysis Spreadsheet

Project Name:

Avondale Phase 1 - Revised

Date:

10/7/2021

Preliminary evaluation of any development's new contribution to, and demands from, the City of Fate.

Instructions: Enter estimates from County/plans/developer information in black outlined boxes.

Contribution to Paying for City Services		Descriptions
Land Market Value	\$ 1,638,670	Value of land according to the Appraisal District (most recent land market value, excluding exemptions)
Estimated New Development Market Value	\$ 181,125,000	Projected value of new development (per the developer)
Total Estimated Taxable Value	\$ 182,763,670	Sum of land value and new development value
City Property Tax Rate	0.217	Current city property tax rate (M&O only)
Expected Year 1 Property Tax to City	\$ 396,597	Tax rate applied to the total development value
Expected Property Taxes to City over 40 years	\$ 47,908,848	Year 1 property tax value extrapolated over 40 year timeframe with 5% annual escalation
Expected Taxable Sales Revenues	\$ -	Expected annual taxable revenue from sales (per developer)
Sales Tax Rate	0.015	Current City sales tax rate
Expected Annual Sales Tax to City	\$ -	Sales tax rate applied to the expected annual taxable sales
Year 1 Contribution to City	\$ 396,597	Sum of expected property tax and sales tax to the City for Year 1
Ongoing Costs for Providing Services		Descriptions
Site Developed Acres	0	Area of proposed development currently classified as "Developed"
Site Undeveloped Acres	58.991	Area of proposed development currently classified as "Undeveloped"
Site Exempt Acres	0	Area of proposed development currently exempt from all property taxes (City, School, religious, etc.)
Proposed Developed Acres	58.991	Total acres proposed for development
Proposed Undeveloped Acres	0	Total acres of proposed development meant to remain in an undeveloped status
Proposed Exempt Acres	0	Total acres proposed to develop for tax exempt purposes such as a school campus, park, or similar use.
Total Area of Proposed Development	58.991	Sum of C22, C23, and C24
Total Estimated Public Road Replacement Cost	\$ 9,810,773	Estimated cost to replace public roads (0.25x for perimeter collector streets, 0.5x for internal; 0.5x for perimeter local streets, 1.0x for internal). Based on 2022 City Engineer est. of \$1.2 million per lane mile construction cost or developer's cost estimate.
Estimated Year 1 Public Road Cost	\$ 245,269	Total public road replacement cost divided by the number of years (40 on average) before infrastructure needs to be completely replaced; represents unfunded liability
Total Escalated Public Road Replacement Cost	\$ 23,306,844	Year 1 public road cost extrapolated over 40 year timeframe with 4% annual escalation; represents unfunded liability
Total Proportionate Costs	127,631	Total costs estimated for general fund services based on the proportionate area of developed acreage.
Productivity		Descriptions
Estimated Taxable Value Per Acre	\$ 3,098,162	Total Estimated Taxable Value divided by total acres
Estimate Net Value Per Acre	\$ 2,931,852	Total Estimated Taxable Value minus Public Road Replacement Cost, divided by total acres
Annual Project Net Revenue	\$ 268,966	Difference between the annual contribution to the city and total annual city cost (based on Year 1 values)
Gain/(Loss) over 40-year period	\$ 32,491,075	Total escalated expected property taxes (5%) plus total escalated expected sales taxes (5%) minus escalated annual city service costs (5%) over 40 years
Revenue to Cost Ratio	3.11 : 1	Year 1 estimated revenue divided by the annual cost to the city (>1:1 is net positive)
Private to Public Ratio	18.6 : 1	Total taxable value divided by total estimated road replacement cost (40:1 is net positive target)
Est Years to repay public liabilities	29	# of years from escalated cumulative property tax revenues to repay total escalated public road replacement cost

Exhibit B

Fate Development Fiscal Analysis Spreadsheet

Project Name:

Ascend at Fate

Date:

3/20/2023

Quick evaluation of any development's new contribution to, and demands from, the City of Fate.

Instructions: Enter estimates from County/plans/developer information in black outlined boxes.

Contribution to Paying for City Services		Descriptions
Land Market Value	\$ 1,342,180	Value of land according to the Appraisal District (most recent market land value, excluding exemptions)
Estimated New Development Market Value	\$ 230,000,000	Projected value of new development (per the developer)
Total Estimated Taxable Value	\$ 231,342,180	Sum of land value and new development value
City Property Tax Rate	0.217	Current city property tax rate (M&O only)
Expected Year 1 Property Tax to City	\$ 502,013	Tax rate applied to the total taxable value
Expected Property Taxes to City over 40 years	\$ 60,643,000	Year 1 property tax value extrapolated over 40 year timeframe with 5% annual escalation
Expected Taxable Sales Revenues	\$ 7,035,000	Expected annual taxable revenue from sales (est. \$300/sf; assume 60% taxable sales floor area)
Sales Tax Rate	0.015	Current City sales tax rate
Expected Annual Sales Tax to City	\$ 105,525	Sales tax rate applied to the expected annual taxable sales
Year 1 Contribution to City	\$ 607,538	Sum of expected property tax and sales tax to the City for Year 1
Ongoing Costs for Providing Services		Descriptions
Developed Acres	95	Number of acres within the development with proposed improvements
Total Estimated Public Road Replacement Cost	\$ 2,903,189	Estimated cost to replace public roads (0.25x for perimeter collector streets, 0.5x for internal; 0.5x for perimeter local streets, 1.0x for internal). Based on 2022 City Engineer est. of \$1.2 million per lane mile construction cost or developer's cost estimate.
Estimated Year 1 Public Road Cost	\$ 72,580	Total public road replacement cost divided by the number of years (40 on average) before infrastructure needs to be completely replaced; represents unfunded liability
Total Escalated Public Road Replacement Cost	\$ 6,896,926	Year 1 public road cost extrapolated over 40 year timeframe with 4% annual escalation; represents unfunded liability
New Single Family Units	245	Number of SF units proposed within the development
New Multifamily Units	596	Number of MF units proposed within the development
New Commercial/Industrial Square Feet	35,000	Amount of commercial or industrial square footage proposed within the development
Estimated Year 1 City Service Costs	\$ 562,182	[Est. cost to serve a SF unit (\$1,425) x # proposed units (multiplied by 0.5 due to 30-foot lots)] plus [the est. cost to serve a MF unit (\$642) x # proposed units] plus [SF (commercial/industrial)/10,000 times \$1,425]
Total Annual City Cost	\$ 562,182	Sum of estimated annual city infrastructure cost and estimated annual city service costs based on Year 1 value
Productivity		Descriptions
Estimated Taxable Value Per Acre	\$ 2,435,181	Total Estimated Taxable Value divided by total acres
Estimate Net Value Per Acre	\$ 2,404,621	Total Estimated Taxable Value minus Public Road Replacement Cost, divided by total acres
Annual Project Net Revenue	\$ 45,356	Difference between the annual contribution to the city and total annual city cost (based on Year 1 values)
Gain/(Loss) over 40-year period	\$ 5,478,938	Total escalated expected property taxes (5%) plus total escalated expected sales taxes (5%) minus escalated annual city service costs (5%) over 40 years
Revenue to Cost Ratio	1.08 : 1	Year 1 estimated revenue divided by the annual cost to the city (>1:1 is net positive)
Private to Public Ratio	79.7 : 1	Total taxable value divided by total estimated road replacement cost (40:1 is net positive target)
Est Years to repay public liabilities	11	# of years from escalated cumulative property tax revenues to repay total escalated public road replacement cost

Fate Development Fiscal Analysis Spreadsheet

Project Name:

Ascend at Fate - Revised

Date:

3/20/2023

Preliminary evaluation of any development's new contribution to, and demands from, the City of Fate.

Instructions: Enter estimates from County/plans/developer information in black outlined boxes.

Contribution to Paying for City Services		Descriptions
Land Market Value	\$ 1,342,180	Value of land according to the Appraisal District (most recent land market value, excluding exemptions)
Estimated New Development Market Value	\$ 230,000,000	Projected value of new development (per the developer)
Total Estimated Taxable Value	\$ 231,342,180	Sum of land value and new development value
City Property Tax Rate	0.217	Current city property tax rate (M&O only)
Expected Year 1 Property Tax to City	\$ 502,013	Tax rate applied to the total development value
Expected Property Taxes to City over 40 years	\$ 60,643,000	Year 1 property tax value extrapolated over 40 year timeframe with 5% annual escalation
Expected Taxable Sales Revenues	\$ 7,035,000	Expected annual taxable revenue from sales (per developer)
Sales Tax Rate	0.015	Current City sales tax rate
Expected Annual Sales Tax to City	\$ 105,525	Sales tax rate applied to the expected annual taxable sales
Year 1 Contribution to City	\$ 607,538	Sum of expected property tax and sales tax to the City for Year 1
Ongoing Costs for Providing Services		Descriptions
Site Developed Acres	0	Area of proposed development currently classified as "Developed"
Site Undeveloped Acres	95	Area of proposed development currently classified as "Undeveloped"
Site Exempt Acres	0	Area of proposed development currently exempt from all property taxes (City, School, religious, etc.)
Proposed Developed Acres	69	Total acres proposed for development
Proposed Undeveloped Acres	26	Total acres of proposed development meant to remain in an undeveloped status
Proposed Exempt Acres	0	Total acres proposed to develop for tax exempt purposes such as a school campus, park, or similar use.
Total Area of Proposed Development	95	Sum of C22, C23, and C24
Total Estimated Public Road Replacement Cost	\$ 2,903,189	Estimated cost to replace public roads (0.25x for perimeter collector streets, 0.5x for internal; 0.5x for perimeter local streets, 1.0x for internal). Based on 2022 City Engineer est. of \$1.2 million per lane mile construction cost or developer's cost estimate.
Estimated Year 1 Public Road Cost	\$ 72,580	Total public road replacement cost divided by the number of years (40 on average) before infrastructure needs to be completely replaced; represents unfunded liability
Total Escalated Public Road Replacement Cost	\$ 6,896,926	Year 1 public road cost extrapolated over 40 year timeframe with 4% annual escalation; represents unfunded liability
Total Proportionate Costs	155,059	Total costs estimated for general fund services based on the proportionate area of developed acreage.
Productivity		Descriptions
Estimated Taxable Value Per Acre	\$ 2,435,181	Total Estimated Taxable Value divided by total acres
Estimate Net Value Per Acre	\$ 2,404,621	Total Estimated Taxable Value minus Public Road Replacement Cost, divided by total acres
Annual Project Net Revenue	\$ 452,479	Difference between the annual contribution to the city and total annual city cost (based on Year 1 values)
Gain/(Loss) over 40-year period	\$ 54,659,320	Total escalated expected property taxes (5%) plus total escalated expected sales taxes (5%) minus escalated annual city service costs (5%) over 40 years
Revenue to Cost Ratio	3.92 : 1	Year 1 estimated revenue divided by the annual cost to the city (>1:1 is net positive)
Private to Public Ratio	79.7 : 1	Total taxable value divided by total estimated road replacement cost (40:1 is net positive target)
Est Years to repay public liabilities	11	# of years from escalated cumulative property tax revenues to repay total escalated public road replacement cost

Exhibit C

Fate Development Fiscal Analysis Spreadsheet

Project Name:

Enclave at Fate Village

Date:

6/15/2023

Quick evaluation of any development's new contribution to, and demands from, the City of Fate.

Instructions: Enter estimates from County/plans/developer information in black outlined boxes.

Contribution to Paying for City Services		Descriptions
Land Market Value	\$ 594,043	Value of land according to the Appraisal District (most recent market land value, excluding exemptions)
Estimated New Development Market Value	\$ 70,000,000	Projected value of new development (per the developer)
Total Estimated Taxable Value	\$ 70,594,043	Sum of land value and new development value
City Property Tax Rate	0.217	Current city property tax rate (M&O only)
Expected Year 1 Property Tax to City	\$ 153,189	Tax rate applied to the total taxable value
Expected Property Taxes to City over 40 years	\$ 18,505,205	Year 1 property tax value extrapolated over 40 year timeframe with 5% annual escalation
Expected Taxable Sales Revenues	\$ -	Expected annual taxable revenue from sales (est. \$300/sf; assume 60% taxable sales floor area)
Sales Tax Rate	0.015	Current City sales tax rate
Expected Annual Sales Tax to City	\$ -	Sales tax rate applied to the expected annual taxable sales
Year 1 Contribution to City	\$ 153,189	Sum of expected property tax and sales tax to the City for Year 1
Ongoing Costs for Providing Services		Descriptions
Developed Acres	13.9	Number of acres within the development with proposed improvements
Total Estimated Public Road Replacement Cost	\$ 133,398	Estimated cost to replace public roads (0.25x for perimeter collector streets, 0.5x for internal; 0.5x for perimeter local streets, 1.0x for internal). Based on 2022 City Engineer est. of \$1.2 million per lane mile construction cost or developer's cost estimate.
Estimated Year 1 Public Road Cost	\$ 3,335	Total public road replacement cost divided by the number of years (40 on average) before infrastructure needs to be completely replaced; represents unfunded liability
Total Escalated Public Road Replacement Cost	\$ 316,905	Year 1 public road cost extrapolated over 40 year timeframe with 4% annual escalation; represents unfunded liability
New Single Family Units	-	Number of SF units proposed within the development
New Multifamily Units	179	Number of MF units proposed within the development
New Commercial/Industrial Square Feet	-	Amount of commercial or industrial square footage proposed within the development
Estimated Year 1 City Service Costs	\$ 114,918	[Est. cost to serve a SF unit (\$1,425) x # proposed units] plus [the est. cost to serve a MF unit (\$642) x # proposed units] plus [SF (commercial/industrial)/10,000 times \$1,425]
Productivity		Descriptions
Estimated Taxable Value Per Acre	\$ 5,078,708	Total Estimated Taxable Value divided by total acres
Estimate Net Value Per Acre	\$ 5,069,111	Total Estimated Taxable Value minus Public Road Replacement Cost, divided by total acres
Annual Project Net Revenue	\$ 38,271	Difference between the annual contribution to the city and total annual city cost (based on Year 1 values)
Gain/(Loss) over 40-year period	\$ 4,623,137	Total escalated expected property taxes (5%) plus total escalated expected sales taxes (5%) minus escalated annual city service costs (5%) over 40 years
Revenue to Cost Ratio	1.33 : 1	Year 1 estimated revenue divided by the annual cost to the city (>1:1 is net positive)
Private to Public Ratio	529.2 : 1	Total taxable value divided by total estimated road replacement cost (40:1 is net positive target)
Est Years to repay public liabilities	3	# of years from escalated cumulative property tax revenues to repay total escalated public road replacement cost

Fate Development Fiscal Analysis Spreadsheet

Project Name:

Enclave at Fate Village - Revised

Date:

6/15/2023

Preliminary evaluation of any development's new contribution to, and demands from, the City of Fate.

Instructions: Enter estimates from County/plans/developer information in black outlined boxes.

Contribution to Paying for City Services		Descriptions
Land Market Value	\$ 594,043	Value of land according to the Appraisal District (most recent land market value, excluding exemptions)
Estimated New Development Market Value	\$ 70,000,000	Projected value of new development (per the developer)
Total Estimated Taxable Value	\$ 70,594,043	Sum of land value and new development value
City Property Tax Rate	0.217	Current city property tax rate (M&O only)
Expected Year 1 Property Tax to City	\$ 153,189	Tax rate applied to the total development value
Expected Property Taxes to City over 40 years	\$ 18,505,205	Year 1 property tax value extrapolated over 40 year timeframe with 5% annual escalation
Expected Taxable Sales Revenues	\$ -	Expected annual taxable revenue from sales (per developer)
Sales Tax Rate	0.015	Current City sales tax rate
Expected Annual Sales Tax to City	\$ -	Sales tax rate applied to the expected annual taxable sales
Year 1 Contribution to City	\$ 153,189	Sum of expected property tax and sales tax to the City for Year 1
Ongoing Costs for Providing Services		Descriptions
Site Developed Acres	0	Area of proposed development currently classified as "Developed"
Site Undeveloped Acres	13.9	Area of proposed development currently classified as "Undeveloped"
Site Exempt Acres	0	Area of proposed development currently exempt from all property taxes (City, School, religious, etc.)
Proposed Developed Acres	13.9	Total acres proposed for development
Proposed Undeveloped Acres	0	Total acres of proposed development meant to remain in an undeveloped status
Proposed Exempt Acres	0	Total acres proposed to develop for tax exempt purposes such as a school campus, park, or similar use.
Total Area of Proposed Development	13.9	Sum of C22, C23, and C24
Total Estimated Public Road Replacement Cost	\$ 133,398	Estimated cost to replace public roads (0.25x for perimeter collector streets, 0.5x for internal; 0.5x for perimeter local streets, 1.0x for internal). Based on 2022 City Engineer est. of \$1.2 million per lane mile construction cost or developer's cost estimate.
Estimated Year 1 Public Road Cost	\$ 3,335	Total public road replacement cost divided by the number of years (40 on average) before infrastructure needs to be completely replaced; represents unfunded liability
Total Escalated Public Road Replacement Cost	\$ 316,905	Year 1 public road cost extrapolated over 40 year timeframe with 4% annual escalation; represents unfunded liability
Total Proportionate Costs	30,516	Total costs estimated for general fund services based on the proportionate area of developed acreage.
Productivity		Descriptions
Estimated Taxable Value Per Acre	\$ 5,078,708	Total Estimated Taxable Value divided by total acres
Estimate Net Value Per Acre	\$ 5,069,111	Total Estimated Taxable Value minus Public Road Replacement Cost, divided by total acres
Annual Project Net Revenue	\$ 122,673	Difference between the annual contribution to the city and total annual city cost (based on Year 1 values)
Gain/(Loss) over 40-year period	\$ 14,818,874	Total escalated expected property taxes (5%) plus total escalated expected sales taxes (5%) minus escalated annual city service costs (5%) over 40 years
Revenue to Cost Ratio	5.02 : 1	Year 1 estimated revenue divided by the annual cost to the city (>1:1 is net positive)
Private to Public Ratio	529.2 : 1	Total taxable value divided by total estimated road replacement cost (40:1 is net positive target)
Est Years to repay public liabilities	3	# of years from escalated cumulative property tax revenues to repay total escalated public road replacement cost

Exhibit D

Fate Development Fiscal Analysis Spreadsheet

Project Name:

Infinity Marine

Date:

4/21/2022

Quick evaluation of any development's new contribution to, and demands from, the City of Fate.

Instructions: Enter estimates from County/plans/developer information in black outlined boxes.

Contribution to Paying for City Services		Descriptions
Land Market Value	\$ 179,690	Value of land according to the Appraisal District (most recent market land value, excluding exemptions)
Estimated New Development Market Value	\$ 980,000	Projected value of new development (per the developer)
Total Estimated Taxable Value	\$ 1,159,690	Sum of land value and new development value
City Property Tax Rate	0.217	Current city property tax rate (M&O only)
Expected Year 1 Property Tax to City	\$ 2,517	Tax rate applied to the total taxable value
Expected Property Taxes to City over 40 years	\$ 303,996	Year 1 property tax value extrapolated over 40 year timeframe with 5% annual escalation
Expected Taxable Sales Revenues	\$ 500,000	Expected annual taxable revenue from sales (est. \$300/sf; assume 60% taxable sales floor area)
Sales Tax Rate	0.015	Current City sales tax rate
Expected Annual Sales Tax to City	\$ 7,500	Sales tax rate applied to the expected annual taxable sales
Year 1 Contribution to City	\$ 10,017	Sum of expected property tax and sales tax to the City for Year 1
Ongoing Costs for Providing Services		Descriptions
Developed Acres	1.5	Number of acres within the development with proposed improvements
Total Estimated Public Road Replacement Cost	\$ 43,290	Estimated cost to replace public roads (0.25x for perimeter collector streets, 0.5x for internal; 0.5x for perimeter local streets, 1.0x for internal). Based on 2022 City Engineer est. of \$1.2 million per lane mile construction cost or developer's cost estimate.
Estimated Year 1 Public Road Cost	\$ 1,082	Total public road replacement cost divided by the number of years (40 on average) before infrastructure needs to be completely replaced; represents unfunded liability
Total Escalated Public Road Replacement Cost	\$ 102,841	Year 1 public road cost extrapolated over 40 year timeframe with 4% annual escalation; represents unfunded liability
New Single Family Units	-	Number of SF units proposed within the development
New Multifamily Units	-	Number of MF units proposed within the development
New Commercial/Industrial Square Feet	10,400	Amount of commercial or industrial square footage proposed within the development
Estimated Year 1 City Service Costs	\$ 1,482	[Est. cost to serve a SF unit (\$1,425) x # proposed units (multiplied by 0.5 due to 30-foot lots)] plus [the est. cost to serve a MF unit (\$642) x # proposed units] plus [SF (commercial/industrial)/10,000 times \$1,425]
Total Annual City Cost	\$ 1,482	Sum of estimated annual city infrastructure cost and estimated annual city service costs based on Year 1 value
Productivity		Descriptions
Estimated Taxable Value Per Acre	\$ 773,127	Total Estimated Taxable Value divided by total acres
Estimate Net Value Per Acre	\$ 744,267	Total Estimated Taxable Value minus Public Road Replacement Cost, divided by total acres
Annual Project Net Revenue	\$ 8,535	Difference between the annual contribution to the city and total annual city cost (based on Year 1 values)
Gain/(Loss) over 40-year period	\$ 1,030,969	Total escalated expected property taxes (5%) plus total escalated expected sales taxes (5%) minus escalated annual city service costs (5%) over 40 years
Revenue to Cost Ratio	6.76 : 1	Year 1 estimated revenue divided by the annual cost to the city (>1:1 is net positive)
Private to Public Ratio	26.8 : 1	Total taxable value divided by total estimated road replacement cost (40:1 is net positive target)
Est Years to repay public liabilities	23	# of years from escalated cumulative property tax revenues to repay total escalated public road replacement cost

Fate Development Fiscal Analysis Spreadsheet

Project Name:

Infinity Marine - Revised

Date:

4/21/2022

Preliminary evaluation of any development's new contribution to, and demands from, the City of Fate.

Instructions: Enter estimates from County/plans/developer information in black outlined boxes.

Contribution to Paying for City Services		Descriptions
Land Market Value	\$ 179,690	Value of land according to the Appraisal District (most recent land market value, excluding exemptions)
Estimated New Development Market Value	\$ 980,000	Projected value of new development (per the developer)
Total Estimated Taxable Value	\$ 1,159,690	Sum of land value and new development value
City Property Tax Rate	0.217	Current city property tax rate (M&O only)
Expected Year 1 Property Tax to City	\$ 2,517	Tax rate applied to the total development value
Expected Property Taxes to City over 40 years	\$ 303,996	Year 1 property tax value extrapolated over 40 year timeframe with 5% annual escalation
Expected Taxable Sales Revenues	\$ 500,000	Expected annual taxable revenue from sales (per developer)
Sales Tax Rate	0.015	Current City sales tax rate
Expected Annual Sales Tax to City	\$ 7,500	Sales tax rate applied to the expected annual taxable sales
Year 1 Contribution to City	\$ 10,017	Sum of expected property tax and sales tax to the City for Year 1
Ongoing Costs for Providing Services		Descriptions
Site Developed Acres	0	Area of proposed development currently classified as "Developed"
Site Undeveloped Acres	1.5	Area of proposed development currently classified as "Undeveloped"
Site Exempt Acres	0	Area of proposed development currently exempt from all property taxes (City, School, religious, etc.)
Proposed Developed Acres	1.5	Total acres proposed for development
Proposed Undeveloped Acres	0	Total acres of proposed development meant to remain in an undeveloped status
Proposed Exempt Acres	0	Total acres proposed to develop for tax exempt purposes such as a school campus, park, or similar use.
Total Area of Proposed Development	1.5	Sum of C22, C23, and C24
Total Estimated Public Road Replacement Cost	\$ 43,290	Estimated cost to replace public roads (0.25x for perimeter collector streets, 0.5x for internal; 0.5x for perimeter local streets, 1.0x for internal). Based on 2022 City Engineer est. of \$1.2 million per lane mile construction cost or developer's cost estimate.
Estimated Year 1 Public Road Cost	\$ 1,082	Total public road replacement cost divided by the number of years (40 on average) before infrastructure needs to be completely replaced; represents unfunded liability
Total Escalated Public Road Replacement Cost	\$ 102,841	Year 1 public road cost extrapolated over 40 year timeframe with 4% annual escalation; represents unfunded liability
Total Proportionate Costs	3,306	Total costs estimated for general fund services based on the proportionate area of developed acreage.
Productivity		Descriptions
Estimated Taxable Value Per Acre	\$ 773,127	Total Estimated Taxable Value divided by total acres
Estimate Net Value Per Acre	\$ 744,267	Total Estimated Taxable Value minus Public Road Replacement Cost, divided by total acres
Annual Project Net Revenue	\$ 6,710	Difference between the annual contribution to the city and total annual city cost (based on Year 1 values)
Gain/(Loss) over 40-year period	\$ 810,572	Total escalated expected property taxes (5%) plus total escalated expected sales taxes (5%) minus escalated annual city service costs (5%) over 40 years
Revenue to Cost Ratio	3.03 : 1	Year 1 estimated revenue divided by the annual cost to the city (>1:1 is net positive)
Private to Public Ratio	26.8 : 1	Total taxable value divided by total estimated road replacement cost (40:1 is net positive target)
Est Years to repay public liabilities	23	# of years from escalated cumulative property tax revenues to repay total escalated public road replacement cost



To: Mayor & City Council

From: City Secretary Vickey Raduechel

Date: August 18, 2023

Agenda Item & Caption: Consider approval of Minutes of the Council meetings held July 17, 2023 and July 31, 2023.

Action Requested: Approval of the Consent Agenda

Overview and Background:

Party responsible for placing this item on agenda: Michael Kovacs, City Manager

Minutes of the Council Meetings held July 17, 2023 and July 31, 2023 are presented for approval consideration.

Financial Considerations:

None

Supporting Documents:

- Minutes of the Council meetings held July 17, 2023 and July 31, 2023.

**MINUTES OF THE
CITY COUNCIL AND PLANNING & ZONING COMMISSION
JOINT MEETING
JULY 17, 2023**

1. CITY COUNCIL CALL TO ORDER AND CONFIRM A QUORUM

Mayor Billings called the meeting of the Fate City Council to order at 6:00 p.m. on the 17th day of July 2023, in the Fate City Hall 1900 CD Boren Parkway, Fate, Texas.

City Secretary Victoria Raduechel confirmed the presence of a quorum.

Council Members Present:

David Billings, Mayor
Heather Buegeler
Mark Harper
Scott Kelley
Allen Robbins, Mayor Pro Tem
Jim DeLand
Lance Megyesi, Deputy Mayor Pro Tem

Council Members Absent:

None

City Staff Present:

Michael Kovacs, City Manager
Steven Downs, Assistant City Manager
Jon Thatcher, City Attorney
Victoria Raduechel, City Secretary
Spencer Foster, Assistant to the City Manager
Shelbi Stofer, Public Engagement Coordinator
Lyle Lombard, Director of Public Safety
Ryan Wells, Director of Planning and Development Services
Steve Gilbert, Director of Community Services and Building Safety
Scott Monaghan, Director of Public Works
Josue Flores, Project Engineer
Misty Christian, City Engineer
Raju Anthony, Director of Finance
Teresa Stevens, Accounting Manager
Lottie Huffman, Court Administrator
Leigh Corson, Director of Human Resources
Michael Wright, IT Manager

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO THE AMERICAN AND TEXAS FLAGS

Jim DeLand, Council Member gave the invocation, after which the Council led the Pledge of Allegiance to the American and Texas Flags.

3. PRESENTATIONS

A. Introduction Of New Assistant City Manager Steven Downs.

Michael Kovacs, City Manager introduced new assistant City Manager Steven Downs. Mr. Downs provided his professional background, introduced his family, and expressed excitement for joining the City of Fate and Fate community.

4. CONSENT AGENDA

All Items Under Consent Agenda Are Considered To Be Routine By The City Council And Will Be Enacted By One Motion. There Will Not Be Separate Discussion Of These Items. If Discussion Is Desired, That Item Will Be Removed From The Consent Agenda And Will Be Considered Separately.

A. Consider Approval Of Minutes Of The Following Council Meetings:

- June 20, 2023 (Joint Meeting With Planning & Zoning Commission)
- June 26, 2023 (Budget Workshop)
- July 3, 2023 (Meet & Greet With Board/Commission Applicants)
- July 3, 2023 (Regular Meeting)

B. Consider Approval Of Resolution No. R-2023-051- Approving The Preliminary 2023 Operations & Maintenance (O&M) Annual Service Plan Update And Calling A Public Hearing For Monday, August 21, 2023, To Consider An Ordinance Levying Assessments Against Property Within The Monterra Public Improvement District For Supplemental Services Being Financed.

C. Consider Approval Of Resolution No. R-2023-052- Approving The Preliminary 2023 Operations And Maintenance (O&M) Annual Service Plan Update And Calling A Public Hearing For Monday, August 21, 2023, To Consider An Ordinance Levying Assessments Against Property Within The Williamsburg East Public Improvement District For Supplemental Services Being Financed.

D. Consider Approval Of Resolution No R-2023-053- Denying The Distribution Cost Recovery Factor Application Proposed By Oncor For 2023.

E. Consider Approval Of Financial Report For June 2023.

F. Consider Approval Of Investment Report For The Quarter Ending June 30, 2023.

- G. Consider Approval Of Resolution No. R-2023-054- Authorizing The Submittal Of A Grant Application To The Texas Parks & Wildlife Department For The Purpose Of Participating In The Local Park Grant Program For Amenities At Joe Burger Park; Designating The City Manager As The Authorized Official Of Said Grant Application; And Providing An Effective Date.

Michael Kovacs, City Manager, Steve Gilbert, Director of Community Services and Building Safety, and Raju Anthony, Director of Finance answered questions from the Council regarding consent agenda item 4E – Financial Report for June 2023.

Council Member Robbins made a motion to approve the consent agenda, as presented.

Council Member DeLand seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, DeLand, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously.

5. PUBLIC COMMENT

This Is An Opportunity For The Public To Address The Council On Any Matter, Except Public Hearings That Are Included On The Agenda. Comments Related To Public Hearings Will Be Heard When The Specific Hearing Begins. Public Comments Are Limited To Three (3) Minutes Per Speaker, Unless Otherwise Required By Law. To Address The Governing Body, Each Speaker Must Complete A Public Comment Form And Present The Completed Form To The City Secretary Prior To The Start Of The Meeting. Each Speaker Shall Approach The Podium And State His/Her Name And Address Before Speaking. Speakers Shall Address The Governing Body With Civility That Is Conducive To Appropriate Public Discussion. Speakers Can Address Only The Governing Body And Not Individual City Officials Or Employees. The Public Cannot Speak From The Gallery But Only From The Podium. Per The Texas Open Meetings Act, The Governing Body Is Not Permitted To Take Action On Or Discuss Any Item Not Listed On The Agenda. The Council May: (1) Make A Statement Of Fact Regarding The Item; (2) Make A Recitation Of Existing Policy Regarding The Item; Or (3) Propose The Item Be Placed On A Future Agenda.

There was no one present wishing to speak.

6. PLANNING AND ZONING COMMISSION CALL TO ORDER AND CONFIRM A QUORUM

Chairman Dann called the meeting of the Fate Planning and Zoning Commission to order at 6:08 p.m. on the 17th day of July, 2023, in Fate City Hall located at 1900 CD Boren Parkway, Fate, Texas.

City Secretary Victoria Raduechel confirmed the presence of a quorum.

Planning and Zoning Commissioners Present:

Steve Dann, Chairman

Kerry Wiemokly

Jeffrey Rathje

Karen Kiser

Tyler Bushman

Planning and Zoning Commissioners Absent:

Daryell Harmon

Aaron Jackson

7. CITY COUNCIL AND PLANNING & ZONING COMMISSION JOINT WORK SESSION TO DISCUSS FUTURE LAND USE PLANNING FOR THE MIXED-USE AREA LOCATED AT THE NORTHWEST CORNER OF I-30 AND FM 551, RCAD PROPERTY IDS: 12847, 29040, COMMONLY REFERRED TO AS THE YU TRACT

Ryan Wells, Director of Planning and Development Services, reported this agenda item is a follow up to previous work session held last October. Mr. Wells introduced Jim Wills, representative of the property owner.

Jim Wills, property owner representative, provided a brief review of the Developer experience and inspiration, which included the following information:

Addison Circle Inspiration:

- sustainable, human scaled urban neighborhood
- establish the “coherent core” through park and public space development
- mixing use, and architectural style
- safe, vibrant, and active street life
- urban residential value growth

City Line Development:

- Projects are specifically tailored to meet the needs of their communities while following a thoughtful, targeted approach.
- office anchor creates ready-made base for residential, hotel, medical, entertainment and retail space.
- signature plaza and nature park
- Sustainable development strategy – density and connectivity, transit access, native and water efficient landscaping, high performing building envelope, regional and low carbon-emitting materials.

Yixiao Liu, Planner for TBG Partners, made a presentation on the proposed development of the YU Tract, at which time she answered questions from the Council and Planning & Zoning Commission regarding the same. The presentation included the following topics:

- Project Status
- Work Session No. 1 – City Comments & Design Response
- Local Context
- City Vision – Forward Fate Comprehensive Plan
- Design Principles
- Proposed Master Plan
- Project Vision
- Distinctive Identity – Benefits of Urban Placemaking
- Quality Housing Choices – Dynamic Neighborhood
- Quality Housing Choices - Urban Design Guidelines
- Connected Transportation System – Street Network
- Connected Transportation System - Context
- Places to Play – Parks & Trails Plan
- Places to Play – Trails & Bike Infrastructure
- Places to Play – Parks & Open Space
- Places to Play – Central Park
- Places to Play – Trailhead Café
- Managed Growth – Area Plan Comparison
- Managed Growth – Development Timeline
- Managed Growth – Phase One

Jason Claunch with Catalyst made a presentation on Economic Impact Analysis for the proposed project at which time he answered questions from the Council and Planning & Zoning Commission regarding the same. The presentation included the following topics:

- Economic Impact Assessment
 - Background in Fate:
 - Catalyst supported the 2016 Comprehensive Plan
 - Catalyst supported the 2021 Comprehensive Plan Update
 - Other: 2,500+ projects across the US, including recent analysis for Rockwall, Royse City, Greenville, Rowlett, Sachse, Collin County.
 - Program Assumptions
 - Fiscal Impact Summary
 - RIMS II Multipliers
 - Construction Estimates
 - Estimated Direct Impacts
 - Construction Spending Impact
 - Sales Tax from Construction
 - Sales Tax from Operations
 - Fiscal Impacts from Retail Operations
 - Fiscal Impact Summary

Ryan Wells, Director of Planning and Development Services reviewed the next steps for the proposed development and answered questions from the Council and Planning and Zoning Commission regarding the same.

8. PLANNING AND ZONING COMMISSION ADJOURNMENT

There was no further business before the Planning and Zoning Commission and Commissioner Kerry Wiemokly moved to adjourn.

Commissioner Karen Kiser seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Chairman Dann and Commissioners Wiemokly, Kiser, Rathje, and Bushman.

Nays: None

Chairman Dann declared the motion carried unanimously and declared the meeting adjourned at 7:24 p.m.

9. CITY COUNCIL ACTION ITEMS

A. (This Is An Application For A Zoning Change Request From Mixed Use To Mixed Use Transition) Discuss, Consider, And Take Any Necessary Action Regarding A Zoning Request From Mixed Use (MU) To Mixed Use Transition (MUT) For Approximately 3.18 Acres Comprising Portions Of Three Separate Tracts Of Land. The Zoning Change Request Has Been Brought Forward By Turcotte Development Group. This Reason For The Zoning Request Is To Entitle The Land To Support A Larger Townhouse Development Being Proposed Via City File No. DP-23-001. Case # ZR-23-002.

1. Staff Summary

Ryan Wells, Director of Planning and Development Service made a presentation providing a brief overview for this agenda item (9A) - Zoning application for Case No. ZR-23-002 and agenda item 9B – Development Plan application for Case No. DP-23-001, at which time he answered questions from the Council regarding the same.

2. Applicant Presentation

Pieter Kessels, Turcotte Development Group, announced the applicant has no issue with the recommended conditions for approval as reported by Ryan Wells, Director of Planning and Development Services. Mr. Kessels made a presentation providing a brief overview of the Enclave at Fate Village zoning change request and proposed development plan at which time he answered questions from the Council regarding the same.

3. Public Hearing

Mayor Billings opened the public hearing at 8:38 p.m.

Clinton Sykes, 178 Balfour, spoke encouraging the development to use more trees and use a Planned Development rather than a zoning change.

There were no others present wishing to speak.

Mayor Billings closed the public hearing at 8:43 p.m.

4. Discuss, Consider, And Take Any Necessary Action Regarding **Ordinance No. O-2023-021**- Amending The Comprehensive Zoning Ordinance And Changing The Zoning Classification From Mixed Use (MU) To Mixed Use Transition (MUT) On Approximately 3.18 Acres Comprising A Portion Of Three Parcels Of Land Identified As Rockwall CAD Property ID 61630, 72205, And 72208, City Of Fate, Rockwall County, Texas; Amending The Official Zoning Map; Providing A Penalty Up To \$2,000 Per Day; Providing For Savings, Severability, And An Effective Date.

Council Member Robbins made a motion to approve Ordinance No. O-2023-021- Amending The Comprehensive Zoning Ordinance And Changing The Zoning Classification From Mixed Use (MU) To Mixed Use Transition (MUT) On Approximately 3.18 Acres Comprising A Portion Of Three Parcels Of Land Identified As Rockwall CAD Property ID 61630, 72205, And 72208, City Of Fate, Rockwall County, Texas; Amending The Official Zoning Map; Providing A Penalty Up To \$2,000 Per Day; Providing For Savings, Severability, And An Effective Date.

Council Member Megyesi seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, DeLand, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously.

B. (This Is An Application For A Type III Development Plan For A 179-Unit Townhome Development In The Fate Village Mixed Use Development) Discuss, Consider, And Take Any Necessary Action Regarding A Type III Development Plan For A 179-Unit Townhome Development Project To Be Constructed In Two Phases. The Project Location Is On The North And South Side Of Greenbriar Road On The East Side Of Water Tower Road. The Total Project Area Is 13.9 Acres. Case # DP-23-001.

1. Staff Summary

The Staff Summary was given during agenda item 9A.

2. Applicant Presentation

The applicant presentation was given during agenda item 9A.

3. Public Hearing

Mayor Billings opened the public hearing at 8:44 p.m.

There was no one present wishing to speak.

Mayor Billings closed the public hearing at 8:44 p.m.

4. Discuss, Consider, And Take Any Necessary Action Regarding **Resolution No. R-2023-055**- Approving A Type III Development Plan For A 179-Unit Townhome Development With Amenity Center On Approximately 13.9 Acres Of Land Comprising All Or A Portion Of Four Parcels Of Land Identified As Rockwall CAD Property ID 115328, 61630, 72205, & 72208, City Of Fate, Rockwall County, Texas.

Council Member Robbins made a motion to approve Resolution No. R-2023-055 - Approving A Type III Development Plan For A 179-Unit Townhome Development With Amenity Center On Approximately 13.9 Acres Of Land Comprising All Or A Portion Of Four Parcels Of Land Identified As Rockwall CAD Property ID 115328, 61630, 72205, & 72208, City Of Fate, Rockwall County, Texas.

Council Member Harper seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, DeLand, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously.

City Secretary's Note: Mayor Billings recessed the meeting at 8:45 p.m. and reconvened the meeting at 8:55 p.m.

C. Proposed Fiscal Year 2023-2024 Budget Related Items:

1. Proposed Fiscal Year 2023-2024 Annual Operating And CIP Budget Presented To Council And Take Any Necessary Action Regarding Said Proposed Budget.

Michael Kovacs, City Manager presented the Council with the proposed budget and made a brief presentation that included the following topics:

- Recap Council Strategic Priorities
- Growth Management & Economic Development
- Examples of City Stewardship
- State of Texas & MUD 1 Property Tax Cuts
- De minimis impact on single family homestead properties
- Garbage Contracts Rates
- New Road Fee
 - Road Fee of \$3/mo, starting January, 2024.
- City Manager's Approach & City Council's Budget Approaches
 - City Manager:

Focus on existing DPS & Civilian employees

Limiting capital expenditures

Non-General funds less impacts

- City Council:

Add 4 DPS Public Safety Officers with grant, or 2 in October with 2 more in March if desired/funds permitting

- FY 24 Capital Improvement Plan
- Action Needed

Discussion ensued among the Council and staff regarding the following topics:

- increasing the Over 65 homestead tax exemption
- increasing the Disabled person homestead tax exemption
- increasing Council pay from \$50 per meeting to \$100 per meeting
- Timing of hiring of DPS staff
- Certification Pay for DPS staff
- Streets Budget and possible \$3 road fee

The Council was not interested in changing City Council payment for meeting attendance. Payment will remain at \$50 per meeting not no more than \$100 per month.

Interim Vote:

Council Member Robbins made a motion for a \$3 road fee that will sunset each year and will be voted on each year vote.

Council Member Harper seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, DeLand, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously.

Jon Thatcher, City Attorney reported staff will bring back an ordinance regarding the \$3 road, for consideration and adoption at a future meeting.

2. Discuss, Consider, And Take Any Necessary Action Regarding Resolution No. R-2023-056- Approving The Placement Of A Proposal On The August 21, 2023 City Council Meeting Agenda To Adopt Proposed Fiscal Year 2023-2024 Budget; Calling A Public Hearing On August 14, 2023; Requiring Publication Of A Notice Of The Public Hearing On The Proposed 2023-2024 Budget In The Newspaper And On City's Website; And Providing An Effective Date.

Council Member Robbins made a motion to approve Resolution No. R-2023-056- Approving The Placement Of A Proposal On The August 21, 2023 City Council Meeting Agenda To Adopt Proposed Fiscal Year 2023-2024 Budget; Calling A Public Hearing On

August 14, 2023; Requiring Publication Of A Notice Of The Public Hearing On The Proposed 2023-2024 Budget In The Newspaper And On City's Website; And Providing An Effective Date.

Council Member DeLand seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, DeLand, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously.

D. Proposed 2023 Tax Year Property Tax Rate Related Items:

1. Discuss, Consider, And Take Any Necessary Action Regarding Resolution No. R-2023-057-Designating The Chief Appraiser Of Rockwall Central Appraisal District (CAD) To Calculate The No-New Revenue Tax Rate, Voter-Approval Tax Rate, And De Minimis Tax Rate For The City Of Fate In Accordance With Section 26.04 Of The Texas Tax Code For The Budget For The Fiscal Year 2023-2024 Budget; And Providing An Effective Date.

Council Member Robbins made a motion to approve Resolution No. R-2023-057-Designating The Chief Appraiser Of Rockwall Central Appraisal District (CAD) To Calculate The No-New Revenue Tax Rate, Voter-Approval Tax Rate, And De Minimis Tax Rate For The City Of Fate In Accordance With Section 26.04 Of The Texas Tax Code For The Budget For The Fiscal Year 2023-2024 Budget; And Providing An Effective Date.

Council Member Harper seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, DeLand, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously.

2. Discuss, Consider, And Take Any Necessary Action Regarding Resolution No. R-2023-058- Adopting A Maximum Tax Rate The City Will Consider, Approving The Placement Of A Proposal On The August 21, 2023 Council Meeting To Adopt A 2023 Tax Year Property Tax Rate That Will Exceed The No-New Revenue Tax Rate And Voter Approval Tax Rate But Does Not Exceed The De Minimis Tax Rate For The City Of Fate, Texas For The Fiscal Year Beginning October 1, 2023 And Ending September 30, 2024; Calling A Public Hearing On The Proposed Property Tax Rate To Be Held On August 21, 2023 At 6 Pm; Requiring Publication Of The Notice Of 2023 Tax Year Proposed Property Tax Rate In The Newspaper; Posting The Notice On The City's Website; And Providing An Effective Date.

Council Member Robbins made a motion to approve Resolution No. R-2023-058- Adopting A Maximum Tax Rate The City Will Consider, Approving The Placement Of A Proposal On The August 21, 2023 Council Meeting To Adopt A 2023 Tax Year Property Tax Rate That Will Exceed The No-New Revenue Tax Rate And Voter Approval Tax Rate But Does Not Exceed The De Minimis Tax Rate For The City Of Fate, Texas For The Fiscal Year Beginning October 1, 2023 And Ending September 30, 2024; Calling A Public Hearing On The Proposed Property Tax Rate To Be Held On August 21, 2023 At 6 Pm; Requiring Publication Of The Notice Of 2023 Tax Year Proposed Property Tax Rate In The Newspaper; Posting The Notice On The City's Website; And Providing An Effective Date.

Mayor Billings seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, DeLand, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously.

E. Discuss, Consider, And Take Any Necessary Action Regarding Road Bond Projects, Council To Provide Direction On Gettysburg East Connection To Blackland Rd.

This agenda item was postponed until the next City Council meeting.

10. MAYOR, COUNCIL, AND CITY MANAGER REPORTS

Regarding Items Of Community Interest – Pursuant To Texas Government Code Section 551.0415 The Mayor, Council And City Manager May Report On The Following Items: (1) Expression Of Thanks, Congratulations Or Condolences; (2) Information About Holiday Schedules; (3) Recognition Of Individuals; (4) Reminders About Upcoming City Council Events; (5) Information About Community Events; (6) Announcements Involving Imminent Threat To Public Health And Safety.

A. Mayor's Report

Mayor Billings reported Royse City ISD named the new High School - Worthy Fate High School. Mayor Billings expressed thanks to City staff for their hard work and welcomed new Assistant City Manager Steven Downs.

B. Council Reports

Council Member Buegeler had nothing to report.

Council Member Harper welcomed new Assistant City Manager Steven Downs.

Council Member Kelley had nothing to report.

Council Member Robbins expressed thanks to finance staff for their hard work and welcomed new Assistant City Manager Steven Downs.

Council Member DeLand welcomed new Assistant City Manager Steven Downs.

Council Member Megyesi expressed thanks to City staff for their hard work on the budget.

C. City Manager's Report

Michael Kovacs, City Manager reported the following upcoming meetings/events:

- County Consortium Meetings – July 19, 2023
- Pat Fallon Town Hall – August 1, 2023 at Fate City Hall
- Planning & Zoning Commission meeting – July 20, 2023 at 6pm
- Four Czech's Bakery Business Anniversary Event – July 21, 2023

11. CITY COUNCIL ADJOURNMENT

There was no further business before the Council and Council Member Harper moved to adjourn.

Council Member Buegeler seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, DeLand, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously and the meeting adjourned at 10:40 p.m.

APPROVED BY THE CITY COUNCIL ON THIS THE ____ DAY OF _____ 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary

**APPROVED BY THE PLANNING AND ZONING COMMISSION ON THIS THE ____
DAY OF _____ 2023.**

APPROVED:

Steve Dann, Chairman

ATTEST:

Victoria Raduechel, TRMC
City Secretary

**MINUTES OF THE
SPECIAL CITY COUNCIL MEETING
JULY 31, 2023**

1. CALL TO ORDER AND CONFIRM A QUORUM

Mayor Billings called the meeting of the Fate City Council to order at 6:00 p.m. on the 31st day of July 2023, in the Fate City Hall 1900 CD Boren Parkway, Fate, Texas.

City Secretary Victoria Raduechel confirmed the presence of a quorum.

Council Members Present:

David Billings, Mayor
Heather Buegeler
Mark Harper
Scott Kelley
Allen Robbins, Mayor Pro Tem
Lance Megyesi, Deputy Mayor Pro Tem

Council Members Absent:

Jim DeLand

City Staff Present:

Michael Kovacs, City Manager
Steven Downs, Assistant City Manager
Jon Thatcher, City Attorney
Victoria Raduechel, City Secretary
Ryan Ragan, DPS Captain
Leigh Corson, Director of Human Resources
Isaiah Tackett, System Administrator

2. EXECUTIVE SESSION: IN ACCORDANCE WITH TEXAS GOVERNMENT CODE, SECTION 551.001, ET SEQ., THE CITY COUNCIL WILL RECESS INTO EXECUTIVE SESSION (CLOSED MEETING) TO DISCUSS THE FOLLOWING:

A. In Accordance With Texas Government Code, Section 551.074: To Deliberate The Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, Or Dismissal Of A Public Officer Or Employee:

1. City Attorney

The item was read and Mayor Billings recessed the Council meeting at 6:01 p.m. and convened Executive Session at 6:02 p.m.

3. RECONVENE INTO REGULAR SESSION: IN ACCORDANCE WITH TEXAS GOVERNMENT CODE, CHAPTER 551, THE CITY COUNCIL WILL RECONVENE INTO REGULAR SESSION TO CONSIDER ACTION, IF ANY, ON MATTERS DISCUSSED IN EXECUTIVE SESSION

The Executive Session was adjourned at 6:26 p.m. and Mayor Billings reconvened the meeting of the City Council at 6:29 p.m.

The following action was taken on items discussed in Executive Session:

2A. In Accordance With Texas Government Code, Section 551.074: To Deliberate The Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, Or Dismissal Of A Public Officer Or Employee:

1. City Attorney

Council Member Robbins made a motion to authorize the City Manager to execute an agreement for Interim City Attorney Services.

Council Member Kelley seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously.

4. ADJOURNMENT

There was no further business before the Council and Council Member Robbins moved to adjourn.

Council Member Harper seconded the motion.

There was no discussion and the vote on the motion was as follows:

Ayes: Mayor Billings and Council Members Buegeler, Harper, Kelley, Robbins, and Megyesi.

Nays: None

Mayor Billings declared the motion carried unanimously and the meeting adjourned at 6:30 p.m.

APPROVED BY THE CITY COUNCIL ON THIS THE ____ DAY OF AUGUST 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary



To: Mayor & City Council

From: Jon Thatcher, City Attorney

Date: August 21, 2023

Agenda Item & Caption: Discuss and consider an Ordinance amending the City of Fate Fee Schedule, as codified in Appendix A, Article II, Section 2.3 of the City of Fate Code of Ordinances to comply with House Bill 3492, as it relates to the reviewing and processing of subdivision public infrastructure-related fees and inspection costs.

Action Requested: Deliberation and Action on the proposed ordinance.

Party Responsible for Placing Item on the Agenda: Jon Thatcher, City Attorney

Overview and Background:

Texas Governor, Greg Abbott, signed House Bill 3492 on June 10, 2023, which prohibits cities from basing any application, review, inspection, or other related fees for constructing or improving public infrastructure for a subdivision lot on the cost or value of the infrastructure project. This law becomes effective on September 1, 2023, and is codified as Section 212.906 of the Texas Local Government Code. As a result, the City has reviewed its current fee schedule and determined that an update is necessary to comply with the new law.

The proposed ordinance updates the fee schedule for the construction and improving of public infrastructure for a subdivision lot to reflect a calculation based on actual costs rather than based on a percentage of the value of the project.

The fee update will require the City to set fees on an actual cost determination considering the following factors:

1. the fee that a qualified independent third-party entity would charge to review, process, and inspect such applications and construction;
2. the hourly rate for the estimated actual direct time of a city employee to review, process, and inspect such applications and construction; or
3. the actual costs that a third-party charged the city to provide such services.

The City is proposing \$330.00 per hour for these fees, which reflect the actual costs for a third-party to provide the services to the City. City staff will be responsible to keep an accounting of the time spent on the review and inspection of the public improvements to calculate the fees to be assessed on each project.

Supporting Documents:

- Ordinance

ORDINANCE NO. O-2023-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FATE, TEXAS AMENDING APPENDIX A, FEE SCHEDULE, ARTICLE II, SECTION 2.3 – BUILDING PERMIT FEES OF THE CODE OF ORDINANCES OF THE CITY TO ADOPT UPDATED INSPECTION FEES FOR THE CONSTRUCTION AND IMPROVING OF PUBLIC INFRASTRUCTURE; PROVIDING FOR A SAVINGS/REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Texas Governor Greg Abbott signed Texas House Bill 3492 on June 10, 2023, which prohibits cities from basing any application, review, inspection, or other related fees for constructing or improving public infrastructure for a subdivision lot on the cost or value of the infrastructure project; and

WHEREAS, this new law, Texas Local Government Code Section 212.906, will take effect on September 1, 2023; and

WHEREAS, the City Council for the City of Fate, Texas (“City Council”) has established fees for a variety of City services, and amended the Fee Schedule as needed, in accordance with the City’s authority under state law; and

WHEREAS, the City Council intends to comply with state law and legislative intent.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS, AS FOLLOWS:

SECTION 1. FINDINGS INCORPORATED.

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

SECTION 2. FEE SCHEDULE AMENDMENT.

That the Code of Ordinances, Appendix A, Article II, Section 2.3 – Building Permit Fees be amended to revise the table for Building Permit Fees to read in its entirety as follows and the sections and subsection of Appendix A, Section 2.3 not expressly amended hereby shall remain in full force and effect:

Building Permit Fees		
	Residential Construction (includes residential inspections)	\$.94 per sq. ft.
Commercial Construction		
Total Valuation		

1	\$1 - \$50,000.00	\$526.38 for first \$25,000.00, plus \$12.00 for each additional \$1,000.00 or fraction thereof, up to & including \$50,000.00
2	\$50,001.00 - \$100,000.00	\$826.38 for first \$50,000.00, plus \$8.50 for each additional \$1,000.00 or fraction thereof, up to & including \$100,000.00
3	\$100,000.01 - \$500,000.00	\$1,251.38 for first \$100,000.00, plus \$6.05 for each additional \$1,000.00 or fraction thereof, up to & including \$500,000.00
4	\$500,000.01 - \$1,000,000.00	\$3,671.38 for first \$500,000.00, plus \$4.88 for each additional \$1,000.00 or fraction thereof, up to & including \$1,000,000.00
5	\$1,000,000.01 and up	\$6,111.38 for first \$1,000,000.00, plus \$3.78 for each additional \$1,000.00 or fraction thereof
6	Plan Review Fee (assessed when permit is for a commercial or residential habitable structure)	10% of permit fee
7	Expedited Plan Review Fee	Actual cost + 15%
8	Plan Change Fee	\$50.00
9	Engineering Review Fee	See Engineering Fees (table 4)
10	Processing Fee	\$35.00
11	Review and Inspection Fee (related to construction and improving public infrastructure for a subdivision lot)	\$330.00 per hour
1) <i>Building valuation data shall be based on the most current Building Safety Magazine, year-end issue as published by the International Code Council.</i>		
2) <i>Permit fee includes electric, plumbing, mechanical, temp, power pole, temp utilities.</i>		
3) <i>The review and inspection fee will be a fee for the actual costs to the city based on several factors including: (a) the fee that a qualified independent third-party entity would charge to review, process, and inspect such applications and construction; (b) the hourly rate for the estimated actual direct time of a city employee to review, process, and inspect such applications and construction; or (c) the actual costs that a third-party charged the city to provide such services.</i>		

SECTION 3. SAVINGS/REPEALING CLAUSE.

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such Ordinance on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 4. SEVERABILITY CLAUSE.

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council of the City of Fate hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences clauses and phrases be declared unconstitutional or invalid.

SECTION 5. PUBLICATION/EFFECTIVE DATE.

This ordinance shall take effect immediately from and after is passage and publication of the caption, as required by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Fate, Texas, on this 21st day of August, 2023.

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary

APPROVED AS TO FORM:

Jon Thatcher, City Attorney



To: Mayor & City Council

From: Michael Kovacs, City Manager

Date: August 16, 2023

Agenda Item & Caption: Discuss and consider a Resolution calling a public hearing on proposed new impact fee rates.

Action Requested: Approval of Resolution

Person Responsible for Putting this Item on the Agenda: Michael Kovacs, City Manager

Prior Action: Impact fees were last updated in the fall of 2020. Throughout the last year, Kimley-Horn has updated the City's Thoroughfare Plan and reviewed the latest water and wastewater plans for continued use, with the new in-progress Wastewater Master Plan helping inform this impact fee review session.

Overview and Background: The Council will need to hold a public hearing on October 9th, 2023, at 6 pm to consider increases to impact fee rates prior to any ordinance actions. The staff will recommend the legal maximum for residential development based on our plans, and which has been your preferred policy preference, to lessen resident tax and fee burdens of new growth as much as possible. There is an automatic reduction of 30% for roadway impact fees for vertical mixed-use buildings (ones that have both commercial and residential uses). Due to the City's preference for enticing business creation and location, we are recommending a 50% reduction concerning commercial rates for only the Roadway impact fees. The public notice on the public hearing will have run for over 30 days by the time of the Council meeting on October 9th. My subsequent report to the Council will be completed more than 5 days before the date of the Council's public hearing and include any comments and recommendations from the Capital Impact Advisory Committee (CIAC), as required by state law. Roadway impact fee maximum costs from the 2020 study were \$6,542.

Financial Considerations: The existing and proposed rates are:

<u>Existing Rates – for a single-family home</u>		<u>Proposed Rates from 2023 Study</u>
Water:	\$3,143	\$3,659
Wastewater:	\$2,457	\$4,028
Roadways:	\$4,500	\$7,103
Total/Unit:	\$10,100	\$14,790

This policy change, if adopted, will impact all development that is not final platted within the City limits, apart from those developments that have signed City development agreements (with some exceptions).

Supporting Document:

- Resolution

RESOLUTION NO. R-2023-_____

A RESOLUTION SETTING THE DATE, TIME, AND PLACE FOR A PUBLIC HEARING ON AMENDING LAND USE ASSUMPTIONS AND A CAPITAL IMPROVEMENTS PLAN RELATING TO POSSIBLE AMENDMENTS OF IMPACT FEES AND AUTHORIZING AND DIRECTING THE CITY SECRETARY TO PUBLISH NOTICE OF SUCH PUBLIC HEARING.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS:

SECTION 1. On **October 9th, 2023, at 6:00 p.m.**, at Fate City Hall, 1900 C.D. Boren Parkway, of the City of Fate, Texas, the City Council will hold a public hearing giving all interested persons the right to appear and be heard on the proposed Land Use Assumptions and Capital Improvements Plan relating to amending the City's water, sewer, and roadway impact fees.

SECTION 2. The City Secretary of the City of Fate, Texas is hereby authorized and directed to cause notice of such public hearing to be published once in a newspaper having general circulation in the City and in the above-described territory not less than thirty (30) days prior to the date of such public hearing, in accordance with the laws of the State of Texas, specifically, Chapter 395.055(b) of the Local Government Code.

PASSED AND APPROVED this 21st day of August, 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary



City Council Memorandum

To: Honorable Mayor and Members of the Fate City Council
Cc: Michael Kovacs, City Manager; Steven Downs, Assistant City Manager; Victoria Raduechel, City Secretary; Samantha Harris, Deputy City Secretary; Jonathan Thatcher, City Attorney
From: Ryan Wells, AICP, CFM, Director of Planning & Development Services
Date: 21 August 2023

Agenda Item: (This is an approval of three Fire Lane and Access Easements to support commercial development) Discuss, consider, and take any necessary action regarding acceptance of three Fire Lane and Access Easements for the commercial development at the Northeast Corner of I30 and WE Crawford. These easements are necessary to allow for public safety as well as public access on the development.

Staff Recommendation: Approve

Party Responsible for Placing Item on the Agenda: Michael Kovacs, City Manager

Options: Approve; Approve subject to conditions; Deny; or Table for further review

Overview: Fate I30 Commercial LP and Fate Commercial Realty, LLC are the landowners for of the site. Three Fire Lane and Access Easements are being proposed. These easements provide emergency and public access through the development and are essential to access the future commercial pads.

Financial Considerations: None. The driveway infrastructure remains privately owned and maintained.

Supporting Documents (enclosed):

Exhibit 1. Resolution - Accepting three Fire Lane and Access Easements

Exhibit 1

RESOLUTION NO. R-2023-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FATE, TEXAS, ACCEPTING THREE FIRE LANE AND ACCESS EASEMENTS FROM FATE COMMERCIAL REALTY, LLC AND FATE I-30 COMMERCIAL, LP ON PROPERTY LOCATED IN THE DENNIS THETFORD SURVEY, ABSTRACT NO. 208, CITY OF FATE, ROCKWALL COUNTY, TEXAS, ATTACHED HERETO AS EXHIBIT A, AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS:

Section 1. That the City of Fate accepts the three Fire Lane and Access Easements attached hereto as **Exhibit A, B, and C** from Fate Commercial Realty, LLC and Fate I-30 Commercial, LP on property located in the Dennis Thetford Survey, Abstract No. 208, City of Fate, Rockwall County Texas, and the City Secretary is hereby directed to record such Fire Lane and Access Easements in the Real Property Records of Rockwall County, Texas.

Section 2. This Resolution shall be effective immediately upon approval by the City Council.

AND IT IS SO RESOLVED.

PASSED AND APPROVED this the 21st day of August 2023.

APPROVED:

David Billings
Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary

Exhibit A

AFTER RECORDING, RETURN TO:

**City Secretary
City of Fate
1900 CD Boren Parkway
Fate, Texas 75087**

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

FIRE LANE AND MUTUAL ACCESS EASEMENT

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS
COUNTY OF ROCKWALL	§	

That FATE COMMERCIAL REALTY LLC, a Texas limited liability company ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor in hand paid by the CITY OF FATE, a Texas municipal corporation ("Grantee"), the receipt and sufficiency of which are hereby acknowledged, does hereby GIVE, GRANT, and CONVEY the right to construct, reconstruct, and perpetually maintain (i) a fire lane facility and all necessary appurtenances thereto (the "Fire Lane Facilities") and (ii) mutual access facilities (the "Mutual Access Facilities")(the Fire Lane Facilities and the Mutual Access Facilities are hereinafter collectively referred to as the "Facilities") all in, on, under, over and across the following described property:

BEING 10,423 square feet or 0.239 acres within a parcel of land located in the City of Fate, Rockwall County, Texas, and being more particularly described in Exhibit "A" and depicted on Exhibit "B" attached hereto and made a part hereof (the "Easement Property").

Improvements approved by the Grantee may be placed on the Easement Property which are compatible with the use of the easement and Facilities.

The Grantee herein, its successors and assigns, shall have, and it is hereby granted, the right of ingress and egress over that portion of the servient estate as is reasonably necessary to and for the limited purpose of accessing the Easement Property herein granted, and for Fire Department, Police, and emergency use.

There are no liens, attachments, or other encumbrances which will affect the title or right of the Grantor to convey this easement to the Grantee for the purposes as described herein. If such condition does exist, a signature with acknowledgement shall be included and made a part of this

document conveying the rights and privileges contained herein, and subordinating any such lien or encumbrance to the easement granted herein.

TO HAVE AND TO HOLD unto the Grantee for the purposes herein set forth, Grantor hereby binds itself and Grantor's heirs, executors, administrators, successors and assigns to warrant and forever defend the easement and rights granted herein unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or attempting to claim the same or any part thereof.

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WITNESS THE GRANTOR'S HAND this ____ day of August, 2023.

FATE COMMERCIAL REALTY, LLC
a Texas limited liability company

By: _____
Basil Mahafdhah
Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged on this the ____ day of August, 2023, by Basil Mahafdhah as Manager of FATE COMMERCIAL REALTY, LLC, a Texas limited liability company.

Notary Public, State of Texas

ACKNOWLEDGED AND AGREED TO BY GRANTEE:

CITY OF FATE

a Texas municipal corporation

By: _____

Print: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF ROCKWALL §

This instrument was acknowledged on this the ____ day of August, 2023, by _____
_____ as _____, on behalf of the City of Fate, a Texas municipal
corporation.

Notary Public, State of Texas

EXHIBIT A
0.239 ACRE
FIRE LANE, PRIVATE DRAINAGE, PUBLIC ACCESS & UTILITY EASEMENT

BEING A 0.239 ACRE TRACT OF LAND SITUATED IN THE DENNIS THETFORD SURVEY, ABSTRACT NO. 208, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND BEING PART OF LOT 1, BLOCK 1 OF I-30 CRAWFORD NORTHEAST ADDITION, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN COUNTY CLERK'S FILE NO. 20230000008397, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID 0.239 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A MAG NAIL WITH WASHER STAMPED "LJA SURVEYING" SET FOR THE SOUTH CORNER OF SAID LOT 1, BLOCK 1 AND THE EAST CORNER OF LOT 1, BLOCK 1 OF FATE TRAVEL PLAZA, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN COUNTY CLERK'S FILE NO. 20200000015724, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID POINT BEING ON THE NORTHWEST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY NO. 30 (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE, NORTH 48 DEGREES 46 MINUTES 23 SECONDS EAST, ALONG THE SOUTHEAST LINE OF SAID LOT 1, BLOCK 1 AND SAID NORTHWEST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY NO. 30, A DISTANCE OF 17.01 FEET TO THE **POINT OF BEGINNING**;

THENCE, OVER AND ACROSS SAID LOT 1, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 41 DEGREES 03 MINUTES 21 SECONDS WEST, A DISTANCE OF 46.94 FEET TO A POINT FOR CORNER;

NORTH 48 DEGREES 45 MINUTES 54 SECONDS EAST, A DISTANCE OF 228.38 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 89 DEGREES 56 MINUTES 31 SECONDS, A RADIUS OF 30.00 FEET AND A LONG CHORD THAT BEARS NORTH 03 DEGREES 47 MINUTES 38 SECONDS EAST, A DISTANCE OF 42.40 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 47.09 FEET TO A POINT FOR CORNER;

NORTH 41 DEGREES 10 MINUTES 38 SECONDS WEST, A DISTANCE OF 156.51 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 108 DEGREES 11 MINUTES 49 SECONDS, A RADIUS OF 30.00 FEET AND A LONG CHORD THAT BEARS SOUTH 84 DEGREES 43 MINUTES 28 SECONDS WEST, A DISTANCE OF 48.60 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 56.65 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 13 DEGREES 20 MINUTES 50 SECONDS, A RADIUS OF 80.00 FEET AND A LONG CHORD THAT BEARS NORTH 37 DEGREES 17 MINUTES 58 SECONDS EAST, A DISTANCE OF 18.59 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 18.64 FEET TO A POINT FOR CORNER;

NORTH 43 DEGREES 58 MINUTES 23 SECONDS EAST, A DISTANCE OF 36.28 FEET TO A POINT FOR CORNER ON THE NORTHEAST LINE OF SAID LOT 1, BLOCK 1 AND THE SOUTHWEST LINE OF LOT 2, BLOCK 1 OF AFORESAID I-30 CRAWFORD NORTHEAST ADDITION, FROM WHICH A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTH CONER OF SAID LOT 1, BLOCK 1 AND THE WEST CORNER OF SAID LOT 2, BLOCK 1 BEARS NORTH 41 DEGREES 10 MINUTES 38 SECONDS WEST, A DISTANCE OF 15.56 FEET;

THENCE, SOUTH 41 DEGREES 10 MINUTES 38 SECONDS EAST, ALONG SAID NORTHEAST LINE OF LOT 1, BLOCK 2 AND SAID SOUTHWEST LINE OF LOT 2, BLOCK 1, A DISTANCE OF 245.44 FEET TO A POINT FOR CORNER, FROM WHICH A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE EAST CORNER OF SAID LOT 1, BLOCK 1 AND THE SOUTH CORNER OF SAID LOT 2, BLOCK 1 BEARS SOUTH 41 DEGREES 10 MINUTES 38 SECONDS EAST, A DISTANCE OF 20.01 FEET;

THENCE, OVER AND ACROSS SAID LOT 1, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 43 DEGREES 58 MINUTES 23 SECONDS WEST, A DISTANCE OF 3.64 FEET TO A POINT FOR CORNER;

SOUTH 48 DEGREES 45 MINUTES 54 SECONDS WEST, A DISTANCE OF 250.30 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 14 DEGREES 44 MINUTES 45 SECONDS, A RADIUS OF 30.00 FEET AND A LONG CHORD THAT BEARS SOUTH 41 DEGREES 23 MINUTES 31 SECONDS WEST, A DISTANCE OF 7.70 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 7.72 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A COMPOUND CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 105 DEGREES 01 MINUTES 03 SECONDS, A RADIUS OF 15.00 FEET AND A LONG CHORD THAT BEARS SOUTH 18 DEGREES 29 MINUTES 23 SECONDS EAST, A DISTANCE OF 23.80 FEET;

ALONG SAID COMPOUND CURVE TO THE LEFT, AN ARC DISTANCE OF 27.49 FEET TO A POINT FOR CORNER ON THE AFORESAID SOUTHEAST LINE OF LOT 1, BLOCK 1 AND AFORESAID NORTHWEST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY NO. 30, FROM WHICH A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER BEARS NORTH 48 DEGREES 46 MINUTES 23 SECONDS EAST, A DISTANCE OF 231.73 FEET;

THENCE, SOUTH 48 DEGREES 46 MINUTES 23 SECONDS WEST, ALONG SAID SOUTHEAST LINE OF LOT 1, BLOCK 1 AND SAID NORTHWEST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY NO. 30, A DISTANCE OF 2.70 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 0.239 ACRES, OR 10,423 SQUARE FEET OF LAND.

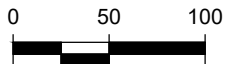
A PARCEL PLAT OF EQUAL DATE HERewith ACCOMPANIES THIS PROPERTY DESCRIPTION.

Michael J. Baitup

Michael J. Baitup, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 4574
LJA Surveying, Inc.
6060 North Central Expressway, Suite 400
Dallas, Texas 75206
Phone 469-621-0710
TXBPLS Firm # 10194465

June 20, 2023





CURVE	CENTRAL ANGLE	RADIUS	CHORD BEARING	CHORD LENGTH	ARC LENGTH
C1	89°56'31"	30.00'	N03°47'38"E	42.40'	47.09'
C2	108°11'49"	30.00'	S84°43'28"W	48.60'	56.65'
C3	13°20'50"	80.00'	N37°17'58"E	18.59'	18.64'
C4	14°44'45"	30.00'	S41°23'31"W	7.70'	7.72'
C5	105°01'03"	15.00'	S18°29'23"E	23.80'	27.49'

I-30 CRAWFORD
NORTHEAST ADDITION
C.C.# 20230000008397
O.P.R.R.C.T.

LOT 4
BLOCK 1

31' FIRE LANE,
PRIVATE DRAINAGE,
PUBLIC ACCESS &
UTILITY EASEMENT
C.C.# 20230000008397
O.P.R.R.C.T.

LINE	BEARING	DISTANCE
L1	N41°03'21"W	46.94'
L2	N43°58'23"E	36.28'
L3	S43°58'23"W	3.64'
L4	S48°46'23"W	2.70'
L5	N48°46'23"E	231.73'
L6	N48°46'23"E	17.01'
L7	N41°10'38"W	15.56'
L8	S41°10'38"E	20.01'

LOT 3
BLOCK 1

DENNIS THETFORD SURVEY
ABSTRACT NO. 208

LOT 1, BLOCK 1
SPEC'S ADDITION
C.C.# 20200000024672
O.P.R.R.C.T.

LOT 2
BLOCK 1

LOT 1
BLOCK 1

I-30 CRAWFORD
NORTHEAST ADDITION
C.C.# 20230000008397
O.P.R.R.C.T.

FIRE LANE,
PRIVATE DRAINAGE,
PUBLIC ACCESS
& UTILITY EASEMENT
C.C.# 20230000008397
O.P.R.R.C.T.

RECIPROCAL EASEMENT
C.C.# 20190000002109
O.P.R.R.C.T.

LOT 1, BLOCK 1
FATE TRAVEL PLAZA
C.C.# 20200000015724
O.P.R.R.C.T.

MAG NAIL
SET

20' SANITARY
SEWER EASEMENT
C.C.# 20190000016028
O.P.R.R.C.T.

10' UTILITY EASEMENT
C.C.# 20200000015724
O.P.R.R.C.T.

LEGEND

CIRF IRON ROD WITH PLASTIC CAP FOUND
CIRS 5/8" IRON ROD WITH YELLOW PLASTIC
CAP STAMPED "LJA SURVEYING" SET
D.R.R.C.T. DEED RECORDS, ROCKWALL COUNTY, TEXAS
O.P.R.R.C.T. OFFICIAL PUBLIC RECORDS,
ROCKWALL COUNTY, TEXAS

BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010),
DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8986)
GRID COORDINATE VALUES SHOWN.

SIGHT
VISIBILITY EASEMENT
C.C.# 20230000008397
O.P.R.R.C.T.

POINT OF
BEGINNING
POINT OF
COMMENCING
MAG NAIL SET
N:7,029,539.318
E:2,618,772.246

INTERSTATE HIGHWAY NO. 30
(VARIABLE WIDTH RIGHT-OF-WAY)

STATE OF TEXAS
VOL. 50, PG. 1-3
VOL. 50, PG. 1-3
D.R.R.C.T.



Michael J. Baitup

PAGE 4
OF 4

DATE: 06/20/2023
DRWN BY: S.C.O.
CHKD BY: M.J.B.
PROJ NO. 0023

EXHIBIT "B"

0.239 ACRE
FIRE LANE, PRIVATE DRAINAGE,
PUBLIC ACCESS & UTILITY EASEMENT
IN THE
DENNIS THETFORD SURVEY, ABSTRACT NO. 208
CITY OF FATE, ROCKWALL COUNTY, TEXAS

LJA Surveying, Inc.

6060 North Central Expressway Suite 400
Dallas, Texas 75206
Phone 469.621.0710
T.B.P.E.L.S. FIRM NO. 10194382

Exhibit B

AFTER RECORDING, RETURN TO:

**City Secretary
City of Fate
1900 CD Boren Parkway
Fate, Texas 75087**

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

FIRE LANE AND MUTUAL ACCESS EASEMENT

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS
COUNTY OF ROCKWALL	§	

That FATE I-30 COMMERCIAL, LP, a Texas limited partnership ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor in hand paid by the CITY OF FATE, a Texas municipal corporation ("Grantee"), the receipt and sufficiency of which are hereby acknowledged, does hereby GIVE, GRANT, and CONVEY the right to construct, reconstruct, and perpetually maintain (i) a fire lane facility and all necessary appurtenances thereto (the "Fire Lane Facilities") and (ii) mutual access facilities (the "Mutual Access Facilities")(the Fire Lane Facilities and the Mutual Access Facilities are hereinafter collectively referred to as the "Facilities") all in, on, under, over and across the following described property:

BEING 3,840 square feet or 0.088 acres within a parcel of land located in the City of Fate, Rockwall County, Texas, and being more particularly described in Exhibit "A" and depicted on Exhibit "B" attached hereto and made a part hereof (the "Easement Property").

Improvements approved by the Grantee may be placed on the Easement Property which are compatible with the use of the easement and Facilities.

The Grantee herein, its successors and assigns, shall have, and it is hereby granted, the right of ingress and egress over that portion of the servient estate as is reasonably necessary to and for the limited purpose of accessing the Easement Property herein granted, and for Fire Department, Police, and emergency use.

There are no liens, attachments, or other encumbrances which will affect the title or right of the Grantor to convey this easement to the Grantee for the purposes as described herein. If such condition does exist, a signature with acknowledgement shall be included and made a part of this

document conveying the rights and privileges contained herein, and subordinating any such lien or encumbrance to the easement granted herein.

TO HAVE AND TO HOLD unto the Grantee for the purposes herein set forth, Grantor hereby binds itself and Grantor's heirs, executors, administrators, successors and assigns to warrant and forever defend the easement and rights granted herein unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or attempting to claim the same or any part thereof.

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WITNESS THE GRANTOR'S HAND this ____ day of August, 2023.

FATE I-30 COMMERCIAL, LP

a Texas limited partnership

By: Pitman Interests, LLC,
a Texas limited liability company,
its General Partner

By: _____
Carter W. Hunt
Vice President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged on this the ____ day of August, 2023, by Carter W. Hunt as Vice President of Pitman Interests, LLC, a Texas limited liability company, the general partner of FATE I-30 COMMERCIAL, LP, a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

ACKNOWLEDGED AND AGREED TO BY GRANTEE:

CITY OF FATE

a Texas municipal corporation

By: _____

Print: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF ROCKWALL §

This instrument was acknowledged on this the ____ day of August, 2023, by _____
_____ as _____, on behalf of the City of Fate, a Texas municipal
corporation.

Notary Public, State of Texas

EXHIBIT A
0.088 ACRE
FIRE LANE, PRIVATE DRAINAGE, PUBLIC ACCESS & UTILITY EASEMENT

BEING A 0.088 ACRE TRACT OF LAND SITUATED IN THE DENNIS THETFORD SURVEY, ABSTRACT NO. 208, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND BEING PART OF LOT 2, BLOCK 1 OF I-30 CRAWFORD NORTHEAST ADDITION, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN COUNTY CLERK'S FILE NO. 20230000008397, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID 0.088 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A MAG NAIL WITH WASHER STAMPED "LJA SURVEYING" SET FOR THE SOUTH CORNER OF LOT 1, BLOCK 1 OF SAID I-30 CRAWFORD NORTHEAST ADDITION AND THE EAST CORNER OF LOT 1, BLOCK 1 OF FATE TRAVEL PLAZA, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN COUNTY CLERK'S FILE NO. 20200000015724, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS, SAID POINT BEING ON THE NORTHWEST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY NO. 30 (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE, ALONG THE SOUTHEAST LINE OF SAID LOT 1, BLOCK 1 AND SAID NORTHWEST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY NO. 30, THE FOLLOWING COURSES AND DISTANCES:

NORTH 48 DEGREES 46 MINUTES 23 SECONDS EAST, A DISTANCE OF 251.44 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 43 DEGREES 58 MINUTES 23 SECONDS EAST, A DISTANCE OF 39.16 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE EAST CORNER OF SAID LOT 1, BLOCK 1 AND THE SOUTH CORNER OF AFORESAID LOT 2, BLOCK 1;

THENCE, NORTH 41 DEGREES 10 MINUTES 38 SECONDS WEST, ALONG THE SOUTHWEST LINE OF SAID LOT 2, BLOCK 1 AND THE NORTHEAST LINE OF SAID LOT 1, BLOCK 1, A DISTANCE OF 20.01 FEET TO THE **POINT OF BEGINNING**;

THENCE, NORTH 41 DEGREES 10 MINUTES 38 SECONDS WEST, CONTINUING ALONG SAID SOUTHWEST LINE OF LOT 2, BLOCK 1 AND SAID NORTHEAST LINE OF LOT 1, BLOCK 1, A DISTANCE OF 245.44 FEET TO A POINT FOR CORNER, FROM WHICH A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE WEST CORNER OF SAID LOT 2, BLOCK 1 AND THE NORTH CORNER OF SAID LOT 1, BLOCK 1, BEARS NORTH 41 DEGREES 10 MINUTES 38 SECONDS WEST, A DISTANCE OF 15.56 FEET;

THENCE, OVER AND ACROSS SAID LOT 2, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 43 DEGREES 58 MINUTES 23 SECONDS EAST, A DISTANCE OF 42.62 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 85 DEGREES 09 MINUTES 00 SECONDS, A RADIUS OF 30.00 FEET AND A LONG CHORD THAT BEARS SOUTH 01 DEGREES 23 MINUTES 52 SECONDS WEST, A DISTANCE OF 40.59 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 44.58 FEET TO A POINT FOR CORNER;

SOUTH 41 DEGREES 10 MINUTES 38 SECONDS EAST, A DISTANCE OF 217.88 FEET TO A POINT FOR CORNER;

SOUTH 43 DEGREES 58 MINUTES 23 SECONDS WEST, A DISTANCE OF 15.05 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 0.088 ACRES, OR 3,840 SQUARE FEET OF LAND.

A PARCEL PLAT OF EQUAL DATE HERewith ACCOMPANIES THIS PROPERTY DESCRIPTION.

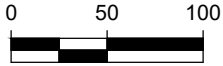
Michael J. Baitup

Michael J. Baitup, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 4574
LJA Surveying, Inc.
6060 North Central Expressway, Suite 400
Dallas, Texas 75206
Phone 469-621-0710
TXBPLS Firm # 10194465

June 20, 2023



CURVE	CENTRAL ANGLE	RADIUS	CHORD BEARING	CHORD LENGTH	ARC LENGTH
C1	85°09'00"	30.00'	S01°23'52"W	40.59'	44.58'



I-30 CRAWFORD
NORTHEAST ADDITION
C.C.# 20230000008397
O.P.R.R.C.T.

LINE	BEARING	DISTANCE
L1	N43°58'23"E	42.62'
L2	S43°58'23"W	15.05'
L3	N43°58'23"E	39.16'
L4	N41°10'38"W	20.01'
L5	N41°10'38"W	15.56'

31' FIRE LANE,
PRIVATE DRAINAGE,
PUBLIC ACCESS &
UTILITY EASEMENT
C.C.# 20230000008397
O.P.R.R.C.T.

LOT 4
BLOCK 1

LOT 3
BLOCK 1

15' PRIVATE
DRAINAGE EASEMENT
C.C.# 20230000008397
O.P.R.R.C.T.

LOT 1, BLOCK 1
SPEC'S ADDITION
C.C.# 20200000024672
O.P.R.R.C.T.

I-30 CRAWFORD
NORTHEAST ADDITION
C.C.# 20230000008397
O.P.R.R.C.T.

LOT 1
BLOCK 1

DENNIS THETFORD SURVEY
ABSTRACT NO. 208

0.088 ACRE
(3,840 SQ. FT.)

20' SOUTHWESTERN
BELL EASEMENT
VOL. 3448, PG. 44
D.R.R.C.T.

RECIPROCAL EASEMENT
C.C.# 20190000002109
O.P.R.R.C.T.

LOT 1, BLOCK 1
FATE TRAVEL PLAZA
C.C.# 20200000015724
O.P.R.R.C.T.

20' SANITARY
SEWER EASEMENT
C.C.# 20190000016028
O.P.R.R.C.T.

10' UTILITY EASEMENT
C.C.# 20200000015724
O.P.R.R.C.T.

MAG NAIL
SET

SIGHT
VISIBILITY EASEMENT
C.C.# 20230000008397
O.P.R.R.C.T.

POINT OF
COMMENCING
MAG NAIL SET
N:7,029,539.318
E:2,618,772.246

INTERSTATE HIGHWAY NO. 30
(VARIABLE WIDTH RIGHT-OF-WAY)

STATE OF TEXAS
VOL. 50, PG. 13
VOL. 50, PG. 13
D.R.R.C.T.

LEGEND

CIRF IRON ROD WITH PLASTIC CAP FOUND
CIRS 5/8" IRON ROD WITH YELLOW PLASTIC
CAP STAMPED "LJA SURVEYING" SET
D.R.R.C.T. DEED RECORDS, ROCKWALL COUNTY, TEXAS
O.P.R.R.C.T. OFFICIAL PUBLIC RECORDS,
ROCKWALL COUNTY, TEXAS

BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010),
DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8986)
GRID COORDINATE VALUES SHOWN.



Michael J. Baitup

PAGE 3
OF 3

DATE: 06/20/2023
DRWN BY: S.C.O.
CHKD BY: M.J.B.
PROJ NO. 0023

EXHIBIT "B"

0.088 ACRE
FIRE LANE, PRIVATE DRAINAGE,
PUBLIC ACCESS & UTILITY EASEMENT
IN THE
DENNIS THETFORD SURVEY, ABSTRACT NO. 208
CITY OF FATE, ROCKWALL COUNTY, TEXAS

LJA Surveying, Inc.

6060 North Central Expressway Suite 400 Phone 469.621.0710
Dallas, Texas 75206 T.B.P.E.L.S. FIRM NO. 10194382



S:\NTX-LAND\0023-200 SURVEY\280 Easements\0023-EX46.dwg 6/19/2023

Exhibit C

AFTER RECORDING, RETURN TO:

**City Secretary
City of Fate
1900 CD Boren Parkway
Fate, Texas 75087**

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

FIRE LANE AND MUTUAL ACCESS EASEMENT

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS
COUNTY OF ROCKWALL	§	

That FATE I-30 COMMERCIAL, LP, a Texas limited partnership ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor in hand paid by the CITY OF FATE, a Texas municipal corporation ("Grantee"), the receipt and sufficiency of which are hereby acknowledged, does hereby GIVE, GRANT, and CONVEY the right to construct, reconstruct, and perpetually maintain (i) a fire lane facility and all necessary appurtenances thereto (the "Fire Lane Facilities") and (ii) mutual access facilities (the "Mutual Access Facilities")(the Fire Lane Facilities and the Mutual Access Facilities are hereinafter collectively referred to as the "Facilities") all in, on, under, over and across the following described property:

BEING 2,970 square feet or 0.068 acres within a parcel of land located in the City of Fate, Rockwall County, Texas, and being more particularly described in Exhibit "A" and depicted on Exhibit "B" attached hereto and made a part hereof (the "Easement Property").

Improvements approved by the Grantee may be placed on the Easement Property which are compatible with the use of the easement and Facilities.

The Grantee herein, its successors and assigns, shall have, and it is hereby granted, the right of ingress and egress over that portion of the servient estate as is reasonably necessary to and for the limited purpose of accessing the Easement Property herein granted, and for Fire Department, Police, and emergency use.

There are no liens, attachments, or other encumbrances which will affect the title or right of the Grantor to convey this easement to the Grantee for the purposes as described herein. If such condition does exist, a signature with acknowledgement shall be included and made a part of this

document conveying the rights and privileges contained herein, and subordinating any such lien or encumbrance to the easement granted herein.

TO HAVE AND TO HOLD unto the Grantee for the purposes herein set forth, Grantor hereby binds itself and Grantor's heirs, executors, administrators, successors and assigns to warrant and forever defend the easement and rights granted herein unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or attempting to claim the same or any part thereof.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

WITNESS THE GRANTOR'S HAND this ____ day of August, 2023.

FATE I-30 COMMERCIAL, LP
a Texas limited partnership

By: Pitman Interests, LLC,
a Texas limited liability company,
its General Partner

By: _____
Carter W. Hunt
Vice President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged on this the ____ day of August 2023, by Carter W. Hunt as Vice President of Pitman Interests, LLC, a Texas limited liability company, the general partner of FATE I-30 COMMERCIAL, LP, a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

ACKNOWLEDGED AND AGREED TO BY GRANTEE:

CITY OF FATE

a Texas municipal corporation

By: _____

Print: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF ROCKWALL §

This instrument was acknowledged on this the ____ day of August, 2023, by _____
_____ as _____, on behalf of the City of Fate, a Texas municipal
corporation.

Notary Public, State of Texas

EXHIBIT A
0.068 ACRE
FIRE LANE & PUBLIC ACCESS EASEMENT

BEING A 0.068 ACRE TRACT OF LAND SITUATED IN THE DENNIS THETFORD SURVEY, ABSTRACT NO. 208, CITY OF FATE, ROCKWALL COUNTY, TEXAS, AND BEING PART OF LOT 2, BLOCK 1 OF I-30 CRAWFORD NORTHEAST ADDITION, AN ADDITION TO THE CITY OF FATE, AS RECORDED IN COUNTY CLERK'S FILE NO. 20230000008397, OFFICIAL PUBLIC RECORDS, ROCKWALL COUNTY, TEXAS. SAID 0.068 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR EAST CORNER OF SAID LOT 2, BLOCK 1 AND THE SOUTH CORNER OF LOT 3, BLOCK 1 OF SAID I-30 CRAWFORD NORTHEAST ADDITION, SAID POINT BEING ON THE NORTHWEST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY NO. 30 (A VARIABLE WIDTH RIGHT-OF-WAY), FROM WHICH A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE SOUTH CORNER OF SAID LOT 2, BLOCK 1 AND THE EAST CORNER OF LOT 1, BLOCK 1 OF SAID I-30 CRAWFORD NORTHEAST ADDITION BEARS, SOUTH 43 DEGREES 58 MINUTES 23 SECONDS WEST, A DISTANCE OF 136.71 FEET;

THENCE, NORTH 46 DEGREES 01 MINUTES 37 SECONDS WEST, ALONG THE NORTHEAST LINE OF SAID LOT 2, BLOCK 1 AND THE SOUTHWEST LINE OF SAID LOT 3, BLOCK 1, A DISTANCE OF 20.50 FEET TO THE **POINT OF BEGINNING**;

THENCE, OVER AND ACROSS SAID LOT 2, BLOCK 1, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 43 DEGREES 57 MINUTES 13 SECONDS WEST, A DISTANCE OF 119.92 FEET TO A POINT FOR CORNER;

NORTH 41 DEGREES 10 MINUTES 38 SECONDS WEST, A DISTANCE OF 50.88 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 58 DEGREES 28 MINUTES 41 SECONDS, A RADIUS OF 30.00 FEET AND A LONG CHORD THAT BEARS SOUTH 70 DEGREES 24 MINUTES 58 SECONDS EAST, A DISTANCE OF 29.31 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 30.62 FEET TO A POINT FOR CORNER;

NORTH 43 DEGREES 57 MINUTES 13 SECONDS EAST, A DISTANCE OF 103.52 FEET TO A POINT FOR CORNER ON AFORESAID NORTHEAST LINE OF LOT 2, BLOCK 1 AND AFORESAID SOUTHWEST LINE OF LOT 3, BLOCK 1, FROM WHICH A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR THE NORTH CORNER OF SAID LOT 2, BLOCK 1 AND THE WEST CORNER OF SAID LOT 3, BLOCK 1 BEARS, NORTH 46 DEGREES 01 MINUTES 37 SECONDS WEST, A DISTANCE OF 235.50 FEET;

THENCE, SOUTH 46 DEGREES 01 MINUTES 37 SECONDS EAST, ALONG SAID NORTHEAST LINE OF LOT 2, BLOCK 1 AND SAID SOUTHWEST LINE OF LOT 3, BLOCK 1, A DISTANCE OF 24.00 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 0.068 ACRES, OR 2,970 SQUARE FEET OF LAND.

A PARCEL PLAT OF EQUAL DATE HERewith ACCOMPANIES THIS PROPERTY DESCRIPTION.

Michael J. Baitup

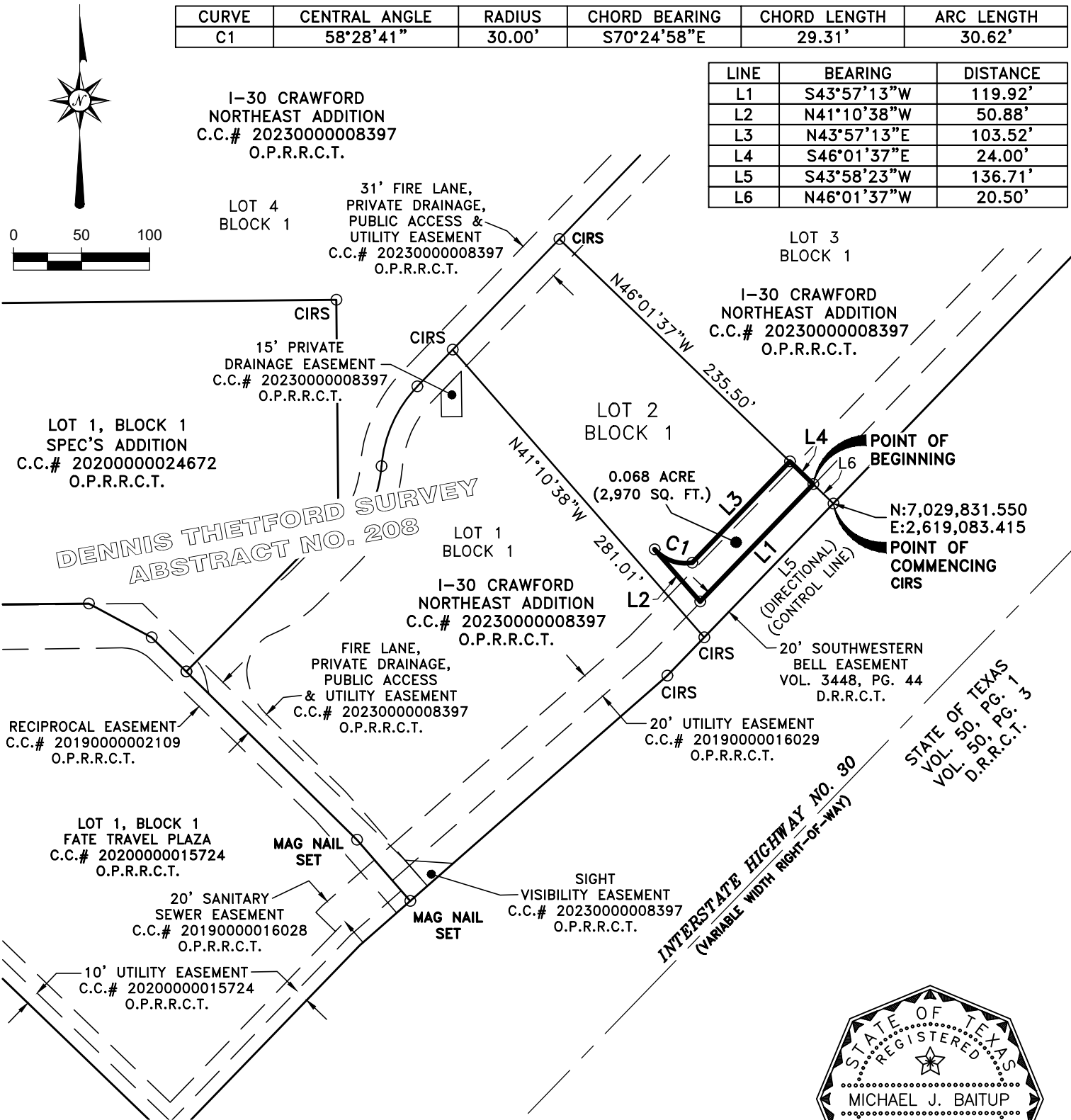
Michael J. Baitup, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 4574
LJA Surveying, Inc.
6060 North Central Expressway, Suite 400
Dallas, Texas 75206
Phone 469-621-0710
TXBPLS Firm # 10194465

August 7, 2023



CURVE	CENTRAL ANGLE	RADIUS	CHORD BEARING	CHORD LENGTH	ARC LENGTH
C1	58°28'41"	30.00'	S70°24'58"E	29.31'	30.62'

LINE	BEARING	DISTANCE
L1	S43°57'13"W	119.92'
L2	N41°10'38"W	50.88'
L3	N43°57'13"E	103.52'
L4	S46°01'37"E	24.00'
L5	S43°58'23"W	136.71'
L6	N46°01'37"W	20.50'



Michael J. Baitup

BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM DALLAS CORS ARP (PID-DF8984) AND COLLIN CORS ARP (PID-DF8986) GRID COORDINATE VALUES SHOWN.

PAGE 3
OF 3

DATE:	08/07/2023
DRWN BY:	S.C.O.
CHKD BY:	M.J.B.
PROJ NO.	0023

EXHIBIT "B"

0.068 ACRE
FIRE LANE &
PUBLIC ACCESS EASEMENT
IN THE
DENNIS THETFORD SURVEY, ABSTRACT NO. 208
CITY OF FATE, ROCKWALL COUNTY, TEXAS

LJA Surveying, Inc.

6060 North Central Expressway Suite 400
Dallas, Texas 75206
Phone 469.621.0710
T.B.P.E.L.S. FIRM NO. 10194382





City Council Memorandum

To: Honorable Mayor and Members of the Fate City Council
Cc: Michael Kovacs, City Manager; Steven Downs, Assistant City Manager; Victoria Raduechel, City Secretary; Samantha Harris, Deputy City Secretary; Jonathan Thatcher, City Attorney
From: Ryan Wells, AICP, CFM, Director of Planning & Development Services
Date: 21 August 2023

Agenda Item: (This is a proposed Development Agreement for installation of a 16-inch water line in Rochelle Road) Discuss, consider, and take any necessary action on a Development Agreement that establishes City participation in a developer-installed, impact fee-eligible 16-inch water line in Rochelle Road, from Gettysburg Boulevard to I-30.

Staff Recommendation: Approve

Party Responsible for Placing Item on the Agenda: Michael Kovacs, City Manager

Options: Approve; Approve subject to conditions; Deny; or Table for further review

Overview: Williamsburg Phase 3B is the final phase of the Williamsburg development. Located at the western end of the overall development area, the project includes 236 single-family lots, open space amenities, and considerable public infrastructure improvements including a westward extension of Gettysburg Boulevard to Rochelle Road and reconstruction of the eastern half of Rochelle Road itself.

While the developer's engineering consultants were reconnoitering the existing conditions on Rochelle Road for the paving design, they encountered the existing 8-inch water line just two feet below the street grade. The City's engineering standard for water line placement is no less than four feet below grade. As a result, the City determined that a reconstruction of the eastern half of Rochelle Road would necessitate lowering the water line location to meet current City standards. The current (and proposed) water master plan shows a proposed 16-inch water line in Rochelle Road to provide adequate water supply to the western side of the city. City staff and developer representatives met to discuss whether it would be fiscally prudent to have the 16-inch water line from the CIP installed now, while the road is open, rather than in the future, which would result in a destabilizing road patch.

This proposed Development Agreement reflects the results of these negotiations. The developer has agreed to install the water line if the City will cover the cost. The developer will be responsible for the road reconstruction and paving contemporaneous to the water line installation.

Financial Considerations: The Development Agreement identifies a maximum cost as the lesser of either 1) \$830,000 (based on the project cost estimate from the pending water impact fee study), or 2) the total contracted cost of the water line installation in addition to any change orders. The reimbursement will be paid out of the Water Impact Fee fund.

Supporting Documents (enclosed):

Exhibit 1. Resolution - Approving a Development Agreement for the Installation of a 16-inch Water Line in Rochelle Road

Exhibit 2. Water Master Plan map from the Fate 2020 Water and Wastewater Impact Fee Study

Exhibit 1

RESOLUTION NO. R-2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FATE, TEXAS,
APPROVING A DEVELOPER PARTICIPATION AGREEMENT WITH
DRHORTON – TEXAS, LTD FOR THE CONSTRUCTION OF A PUBLIC WATER
LINE**

WHEREAS, the City and the DR Horton – Texas, LTD have agreed to jointly participate in the development and construction of a 16-inch (16”) public water line and the removal and disposal of an existing City of Fate eight-inch (8”) water line as reflected in the attached exhibit by Developer providing funding and administration for the design and construction of the Project and City providing reimbursement of the Project costs as set forth in this Agreement; and

WHEREAS, public works projects in excess of \$50,000 must conform with the competitive purchasing requirements pursuant to chapter 252 of the Texas Local Government Code when a municipal fund is used to pay for the improvements or reimburse a private developer for the project costs of the improvements, unless otherwise exempted; and

WHEREAS, a payment under a contract by which a developer participates in the construction of a public improvement under Subchapter C, Chapter 212 of the Texas Local Government Code is exempt from the competitive purchasing requirements; and

WHEREAS, the City and DR Horton – Texas, LTD desire to set forth, in writing, their understandings and agreement regarding the construction and installation of the Project and payment for the Water Line; and

WHEREAS, the City is authorized to enter into this Agreement by Subchapter C of Chapter 212 of the Local Government Code.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS:

Section 1. The City Council of the City of Fate approves the Developer Participation Agreement attached hereto as Exhibit A.

Section 2. This Resolution shall be effective immediately upon approval by the City Council.

AND IT IS SO RESOLVED.

PASSED AND APPROVED this the 21st day of August 2023.

APPROVED:

David Billings
Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

DEVELOPER PARTICIPATION AGREEMENT

This Developer Participation Agreement (“Agreement”), made and entered into by and between the City of Fate, Texas, a municipal corporation in the State of Texas (the “City”), and DR Horton – Texas LTD, a Domestic Limited Partnership doing business in the State of Texas (the “Developer”).

RECITALS:

WHEREAS, Developer is the owner of certain real property located in the City, being described in Exhibit A attached hereto and made a part hereof for all purposes (the “Property”); and

WHEREAS, the City desires to facilitate the construction of a new sixteen-inch (16”) water line on the eastern side of right-of-way for Rochelle Road between Gettysburg Boulevard and Interstate 30 (“Water Line”) to improve its water facilities and provide improved utility services within the City; and

WHEREAS, the City and the Developer have agreed to jointly participate in the development and construction of the Water Line and the removal and disposal of an existing City of Fate eight-inch (8”) water line as reflected on Exhibit B attached hereto (“Project”) by Developer providing funding and administration for the design and construction of the Project and City providing reimbursement of the Project costs as set forth in this Agreement; and

WHEREAS, public works projects in excess of \$50,000 must conform with the competitive purchasing requirements pursuant to chapter 252 of the Texas Local Government Code when a municipal fund is used to pay for the improvements or reimburse a private developer for the project costs of the improvements, unless otherwise exempted; and

WHEREAS, a payment under a contract by which a developer participates in the construction of a public improvement under Subchapter C, Chapter 212 of the Texas Local Government Code is exempt from the competitive purchasing requirements; and

WHEREAS, the City and Developer desire to set forth, in writing, their understandings and agreement regarding the construction and installation of the Project and payment for the Water Line; and

WHEREAS, the City is authorized to enter this Agreement by Subchapter C of Chapter 212 of the Local Government Code.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the City and the Developer hereto agree as follows:

Section 1. Incorporation of Recitals. The above and foregoing recitals are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Term. This Agreement shall be effective as of the date of execution of this Agreement by the last of the Parties to do so (the “Effective Date”). This Agreement shall remain in full force and effect from the Effective Date until the City and the Developer have completed their respective obligations hereunder or has been earlier terminated by the mutual agreement of the City and the Developer in writing or otherwise terminated as set forth in this Agreement (the “Term”).

Section 3. Water Line. The Water Line, as described and defined in the Recitals above, shall be constructed by the Developer in accordance with and subject to the following:

A. Design; Construction; Reimbursement. Developer shall construct the Project as described in this Agreement in accordance with and subject to (i) all state and local ordinances, laws, statutes, standards, rules, regulations, codes, orders, directives, permits, plans, or policies of the City of Fate, and (ii) all of the terms and conditions of this Agreement.

1. *Design.* The plans for the design and construction of the Project (the “Plans”) have been completed by a professional engineer licensed to provide its services in the State of Texas (the “Design Professional”), and the same have been submitted to and approved by the City in accordance with the City’s normal and usual practices and processes for reviewing and approving design plans for a development. Approval of the Plans by the City does not constitute and is not a release of the responsibility and the liability of the Developer or the Design Professional for the accuracy and competency of the same, and such approval is not an assumption of or an indemnification for such responsibility or liability by the City for any defect, error or omission in the Plans, the responsibility and liability for the Plans being solely that of the Developer and the Design Professional.

2. *Construction.*

(a) Following the Effective Date, Developer shall promptly enter into a contract or contracts with a contractor or contractors (each, a “Contractor”), to construct the Project (the “Contract”). The Contract (and any change orders thereto) shall be submitted to the City for its review and consideration prior to execution, and upon execution, Developer shall provide the City with a true and correct copy of the Contract (and any change orders executed following such execution). In the event the City finds that the Contract amount (including any change orders thereto) is unreasonably excessive under then-prevailing market conditions, the City shall notify Developer and the Developer shall attempt to reduce the cost of the Contract (and any change orders thereto) (the Contract amount is sometimes referred to hereinafter as the “Water Line Construction Cost”). Upon entering into the Contract, the construction of the Project shall be promptly commenced and thereafter diligently prosecuted to completion, but in any event not later than one (1) year following the date of the City’s written notice to Developer of the City’s approval of the Water Line Construction Cost, subject to delays due to Force Majeure (herein defined). All work on the Project shall be performed in a good and workmanlike manner and in accordance in all material respects with the Plans and in accordance with all applicable laws, ordinances, rules, standards, regulations, and codes. For the purposes hereof, the term “Force Majeure” means war, civil commotion, riots, terrorism, acts of God, strike, inclement weather, pandemics or epidemics (including, without limitation, Covid-19 and any variants thereof), governmental orders or decrees, shortages or unavailability of labor or supplies or materials, or other circumstances that are beyond the reasonable control or foreseeability of Developer, regardless of whether any such circumstance is similar to any of those enumerated or not.

(b) Prior to any work on the Project, Developer shall provide to the City surety bonds guaranteeing the faithful performance of the work and the payment of all obligations arising under the Contract (including, without limitation, the payment of all persons performing labor or providing materials under or in connection with the Contract), each in the penal sum of one hundred percent (100%) of the Contract sum. Developer shall pay or cause the Contractor or the subcontractor to pay the premiums for such bonds. Bonds shall be issued by a surety company satisfactory to the City, licensed by the State of Texas to act as a Surety, and listed on the current U.S. Treasury Listing of Approved Sureties. All bonds shall be made on a form complying with

the requirements of the laws of the State of Texas and satisfactory to the City. Upon the final completion of the Project and the acceptance thereof by the City, Developer or the Contractor shall submit a surety bond guaranteeing workmanship and materials for a period of two (2) years from the date of final acceptance of the Water Line by the City. Developer warrants and represents that it will repair or cause to be repaired any defects in the work herein contracted to be done and performed for a period of two (2) year from the date of the City's acceptance of the Water Line. The Developer and the City of Fate, Texas shall be named as joint obligees on all such bonds.

(c) The City of Fate, Texas shall be listed as an additional insured on all liability insurance policies provided by the Contractor and any subcontractor.

(d) To the extent any of the part of the Project is located within public right-of-way or property owned by the City, the City hereby grants to Developer and its Contractors a license to enter upon such public right-of-way or property for the sole and limited purpose of constructing the Project. Developer shall coordinate with the City and utility providers to minimize the possibility of damage to utilities and any service disruption. Upon completion of the Project, Developer shall ensure that the Water Line and the property on which the Water Line was constructed are free and clear of all liens and encumbrances, including mechanics liens and purchase money security interests, to the extent arising by, through or under Developer, any Contractor, or any subcontractor or material suppliers working at the direction of Developer.

(e) Developer shall timely pay the Contractor in accordance with the terms and conditions of the Contract. Developer shall ensure that the Project is completed in a timely manner in accordance with the Contract in all material respects. Developer shall thoroughly inspect the work of the Contractor to guard the City against defects and deficiencies in the Project without assuming responsibility for the means and methods used by the Contractor.

(f) The City has the right to inspect, test, measure or verify the construction work on the Project, as the City deems necessary.

(g) Developer shall keep the City Engineer informed regarding the progress of the Project construction. Developer shall notify and provide documentation to the City Engineer for the following events: (i) award of the Contract (including copies of bonds and insurance), (ii) notice to proceed, (iii) default of the Contractor (if it occurs), and (iv) completion of the Project and has issued a certificate of completion.

(h) Developer shall dedicate (without compensation, except for costs for engineering, legal, and other professional services required for such dedications, which costs will be a part of the reimbursable amount under Section 3 below) to the City all easements within the Property that are required to construct the Project (the "Property Easements").

(i) The City shall be responsible to obtain by dedication to the City all easements outside of the Property that are required to construct the Project (the "Off-Property Easements"). If Off-Property Easements cannot be obtained by dedication, then the City, at its cost and expense, shall acquire such easements by eminent domain.

(j) The Parties agree that no more than eighty percent (80%) of the lots contained in Williamsburg 3B (189 of 236 total lots) will be eligible to receive building permits from the City unless and until the Project is completed by Developer and the Water Line is accepted by the City.

(k) Completion of the Project shall not be a prerequisite for the acceptance of the Williamsburg 3B public infrastructure.

3. *Reimbursement.*

(a) Subject to all of the terms and conditions of this Agreement, Developer and the City agree that the amount of the City's participation for installation of the 16-inch water line shall be limited the lesser of 1) an amount not to exceed Eight Hundred Thirty Thousand and No/100 Dollars (\$830,000.00), or 2) one hundred percent (100%) of the total cost of the improvements based on the contractual Water Line Construction Cost and any change orders.

(b) The City agrees to reimburse Developer from existing municipal funds promptly upon the completion of the following:

- i. The Project has been constructed, inspected and has been dedicated and accepted by the City as a public improvement.
- ii. Developer has submitted a request for the Reimbursement along with the Developer's statement of costs with related invoices and sufficient proof of expenditures for its actual costs to design and construct the Project. The sufficient proof of expenditures shall include a bills paid affidavit in a form acceptable by the City.

(c) Developer shall not be entitled to receive any impact fee credits for the construction of the Project as provided for in this Agreement.

B. Insurance.

1. At all times, Developer shall maintain minimum insurance coverages, described below. Developer may satisfy this requirement through insurance provided by its Contractor.

- (a) Commercial General Liability insurance at minimum combined single limits of \$2,000,000 per-occurrence and \$5,000,000 general aggregate for bodily injury and property damage, which coverage shall include products/completed operations (\$2,000,000 products/completed operations aggregate), and XCU (Explosion, Collapse, Underground) hazards. Coverage for products/completed operations must be maintained for at least two (2) years after the construction work has been completed. Coverage must be amended to provide for an each-project aggregate limit of insurance. An alternative would be to have separate limits for all lines of General Liability coverage for each project.
- (b) Workers Compensation insurance at statutory limits, including Employers Liability coverage with minimum limits of \$1,000,000 each-occurrence each accident/\$1,000,000 by disease each-occurrence/\$1,000,000 by disease aggregate.
- (c) Commercial Automobile Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned, and hired car coverage.
- (d) Builders Risk coverage as follows:

- i. “All Risk” Builders Risk insurance, including collapse coverage, is required on a completed value form if the contract is for the construction of a structure or building.
 - ii. The Builders Risk policy must provide transit and off-premises coverage if the contract with the builder makes the City responsible for materials. The deductible shall not exceed \$5,000.
- (e) Umbrella Liability at minimum limits of \$5,000,000.00 aggregate with respect to primary Commercial General Liability, Automobile Liability, and Employers Liability policies. Any subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. Developer shall require its construction contractor(s) to require all subcontractors to carry insurance naming the City of Fate, Texas as an additional insured and meeting all of the above requirements.
- 2. With reference to the foregoing insurance requirement, Developer shall specifically endorse applicable insurance policies as follows:
 - (a) The City of Fate, Texas shall be listed as an additional insured with respect to General Liability, Automobile Liability, and Umbrella Liability.
 - (b) All liability policies shall contain no cross liability exclusions or insured versus insured restrictions.
 - (c) A waiver of subrogation in favor of the City of Fate, Texas, its officers, employees, and agents shall be contained in the Workers Compensation, Builders Risk, and all liability policies.
 - (d) All insurance policies shall be endorsed to require the insurer to immediately notify the City of Fate, Texas of any material change in the insurance coverage.
 - (e) All insurance policies shall be endorsed to the effect that the City of Fate, Texas will receive at least thirty (30) days’ notice prior to cancellation or non-renewal of the insurance.
 - (f) All insurance policies, which list the City of Fate, Texas as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.
 - (g) Required limits may be satisfied by any combination of primary and umbrella liability insurances.
 - (h) Contractor may maintain reasonable and customary deductibles, subject to approval by the City of Fate.
 - (i) Insurance must be purchased from insurers that are financially acceptable to the City of Fate.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent, delivered to Developer and the City prior to the commencement of any work

on the Water Line Improvements (or within 15 days after the date of this Agreement if construction has already commenced), and shall contain provisions representing and warranting the following:

- (a) Sets forth all endorsements and insurance coverages according to requirements and instructions contained herein.
- (b) Shall specifically set forth the notice-of-cancellation or termination provisions to the City of Fate.

Upon request, Developer shall furnish the City of Fate with certified copies of all insurance policies.

3. Developer shall require its construction contractor(s) to continuously and without interruption, maintain in force the required insurance coverages specified in this Section. If Developer does not comply with this requirement, the City shall deliver written notice thereof to Developer, and if such required insurance is not obtained by Developer or such contractor(s) within 14 days after the delivery of such notice, then notwithstanding the provisions of Section 4.A. below, the City Manager or his designee may

- (a) immediately suspend Developer from any further performance under this Agreement and begin procedures to terminate for default, or
- (b) purchase the required insurance with City funds and deduct the actual cost of the premiums from amounts due to Developer under this Agreement (and the City shall provide satisfactory evidence of such cost to Developer).

The City shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of the insurance documents required hereunder.

C. INDEMNITY OWED BY DEVELOPER.

1. Developer covenants and agrees to **FULLY DEFEND, INDEMNIFY AND HOLD HARMLESS** the City of Fate, Texas and the elected officials, the officers and employees of the City of Fate, Texas, individually or collectively, in both their official and private capacities (the City of Fate, Texas, and such elected officials, and officers, employees of the City of Fate, Texas each being a “Fate Person” and collectively the “Fate Persons”), from and against any and all costs, claims, liens, harm, damages, losses, expenses, fees, fines, penalties, proceedings, judgments, actions, demands, causes of action, liability, and suits, of any kind and nature whatsoever made upon any Fate Person, whether directly or indirectly, (the “Claims”), that arise out of, result from, or relate to: (1) the services and work to be provided by Developer under or in connection with this Agreement; (2) a material breach of the express representations or warranties made by Developer under this Agreement; and/or (3) any other act or omission under or in performance of this Agreement by Developer, or any owner, officer, director, manager, employee, authorized agent, authorized representative, consultant, contractor, subcontractor, licensee, or concessionaire of Developer, or any other person or entity for whom Developer is legally responsible, and their respective owners, officers, managers, employees, directors, authorized agents, and authorized representatives. **SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY FATE PERSON, OR CONDUCT BY ANY FATE PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, BUT SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL NOT APPLY TO ANY CLAIMS ARISING OUT OF OR**

RESULTING FROM THE GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD OR UNLAWFUL ACTIVITY OF ANY FATE PERSON OR FROM ANY BREACH OF THIS AGREEMENT BY ANY FATE PERSON.

2. Developer shall promptly advise the City in writing of any claim or demand against any Fate Person or Developer related to or arising out of Developer's activities under this Agreement after Developer has received written notice of any such claim or demand and shall see to the investigation and defense of such claim or demand at Developer's sole cost and expense. The Fate Persons shall have the right, at the Fate Persons' option and at their own expense, to participate in such defense without relieving Developer of any of its obligations hereunder.

3. The provisions of this defense, indemnity, and hold harmless obligation, and any other defense, indemnity, and hold harmless obligation set forth in this Agreement, shall survive the termination or expiration of this Agreement.

Section 4. Termination.

A. Either party (the "non-defaulting party") may terminate this Agreement in the event of default of this Agreement by the other party (the "defaulting party") and a failure by the defaulting party to cure such default within the timeframe set forth below after receiving notice thereof from the non-defaulting party. Default shall occur if a party fails to observe or perform any of its duties under this Agreement. Should such a default occur, the non-defaulting party shall deliver a written notice to the defaulting party describing such default and the proposed date of termination. Such proposed termination date may not be sooner than the 20th day following receipt of the notice; but if the default cannot with reasonable diligence be cured within the said 20 day period, if within such 20 day period the defaulting party provides the non-defaulting party written notice of the curative measures which it proposes to undertake, and proceeds promptly to initiate such measures to cure such default, and thereafter prosecutes the curing of such default with reasonable diligence and continuity, the time within which such default may be cured shall be extended for such period as may be necessary to complete the curing of such default with reasonable diligence and continuity, not to exceed 40 days following the receipt of the notice of default. The non-defaulting party, at its sole option, may extend the proposed date of termination to a later date. If prior to the proposed date of termination, the defaulting party cures such default to the non-defaulting party's reasonable satisfaction, the proposed termination shall be ineffective. If the defaulting party fails to cure such default prior to the proposed date of termination, the non-defaulting party may terminate this Agreement, and the obligations of the parties hereunder shall end. The City Engineer may give such notice on behalf of the City for purposes of this Agreement.

B. In addition to the provisions of subsection A. of this Section 4, the City may terminate this Agreement without notice or any opportunity to cure for any of the following reasons:

1. Insolvency of, the making of a transfer in fraud of creditors by, or the making of an assignment for the benefit of creditors by, the Developer.

2. Filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof by the Developer, or adjudication as a bankrupt or insolvent in proceedings filed against the Developer.

3. Appointment of a receiver or trustee for all or substantially all of the assets of the Developer.

C. In the event this Agreement is terminated due to default of the Developer or for any of the reasons set forth in subsection B. of this Section 4, which event is before the Contractor completes the construction of the Water Line Improvements, the City reserves the right to continue the Agreement and utilize any unexpended funds for this Agreement to reimburse the Contractor. In such event, Developer shall have no claim under this Agreement for any other funds of the City with respect to any portion of the Water Line Improvements completed after the termination of this Agreement.

Section 5. Miscellaneous.

A. In connection with this Agreement and the matter set forth herein, all of Developer's books and other records related to the Water Line Improvements shall be available for inspection by the City, upon at least two (2) business days' prior written notice from City to Developer and during Developer's normal business hours, at a location within the City as determined by the City. Developer shall include in the Contract that the City has and reserves the right, upon notice, to inspect and make an audit of all books, records, accounts and other data of the Contractor relating to the construction of the Water Line Improvements and performance of the Contract. The City further has the right to conduct inspections of all places where work is undertaken in connection with this Agreement.

B. Developer is an independent contractor, and Developer shall accomplish all of its obligations and services provided for herein in such capacity, and under no circumstances shall this Agreement be construed as one of agency, partnership, joint venture, joint enterprise, or employment between the parties; provided always however that the obligations and services of Developer hereunder shall be provided in a manner consistent with all applicable standards and regulations governing the same. The City shall have no control or supervisory powers as to the detailed manner or method of Developer's performance of the subject matter of this Agreement. All employees, personnel, contractors, subcontractors, agents, and representatives supplied or used by Developer shall be deemed employees, personnel, contractors, subcontractors, agents or representatives of Developer and shall not be considered employees, agents or subcontractors of the City for any purpose whatsoever. Developer shall be solely responsible for the compensation of all such persons, for the withholding of income, social security and other payroll taxes and for the coverage of all workers' compensation benefits, to the extent Developer is contractually or legally required to do so.

C. Neither party shall have the authority to or shall assign, convey, pledge, or otherwise transfer in any manner this Agreement, or any of the privileges, rights, or duties set forth herein, to any other person or entity, without the express prior written approval and consent of the other party. Any assignment, conveyance, pledge, or other transfer in violation of this provision shall be null and void ab initio and cause for immediate termination (no period of cure) by the other party.

D. This Agreement and each of its provisions are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

E. Except as otherwise provided for in this Agreement, all obligations and responsibilities arising prior to the expiration or termination of this Agreement allocating responsibility or liability of or between the parties shall survive the completion or termination of this Agreement, and any rights and remedies either party may have with respect to the other arising out of the performance during the Term of this Agreement shall survive the cancellation, expiration, or termination of this Agreement. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by a party shall not preclude or waive its right to use any or all other rights and remedies, and said rights and remedies are given in addition to any other rights and remedies the parties or either of them may have in law, in equity, or otherwise.

F. The failure of either party to enforce any provision or condition contained in this Agreement at any time will not be construed as a waiver of that condition or provision nor will it operate as a forfeiture of any right of future enforcement of the condition or provision.

G. For purposes of this Agreement, “includes” and “including” are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

H. All exhibits referenced in this Agreement are incorporated herein and made a part hereof for all purposes.

I. Any notice and/or statement required and permitted to be delivered shall be deemed delivered upon receipt after depositing same in the United States mail, certified mail with return receipt requested, postage prepaid, or upon receipt by nationally recognized overnight courier, or via electronic mail with the sender retaining machine-generated confirmation of successful transmission, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties by notice under this subsection:

To City:

City of Fate
P.O. Box 159
Fate, Texas 75132
Attn: City Manager
Email: mkovacs@fatetx.gov

And

City of Fate
City Attorney
P.O. Box 159
Fate, TX 75132
Email: _____

To Developer:

DR Horton – Texas, LTD
4306 Miller Road
Rowlett, TX 75088
Attn: _____
Email: _____

And

Attn: _____
Email: _____

J. The laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of this Agreement; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement. In the event of any action under this Agreement, exclusive venue for all causes of action shall be instituted and maintained in state courts located in Rockwall County, Texas.

K. This Agreement supersedes all previous agreements between the parties hereto regarding the matters set forth herein and constitutes the entire understanding of the parties. Developer shall be entitled to no other benefits from the City with respect to the Water Line Improvements other than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties.

L. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision is not a part hereof, and the remaining provisions hereof shall remain in full force and effect. In lieu of any illegal, invalid or unenforceable provision herein, the parties shall seek to negotiate a provision as similar in its

terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

M. This Agreement and all of its terms and conditions are subject to applicable laws, ordinances, rules, regulations, and codes, including, without limitation, the City Charter of the City of Fate, Texas.

N. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.

O. This Agreement shall be effective upon the date of the last of the City and Developer to sign below, as reflected by the date of signing.

P. Boycott of Israel – The Developer represents, to the current actual knowledge of the individual signing this Agreement on behalf of the Developer as set forth on the signature page hereto (the “Developer's Officer”), in such Developer's Officer's representative capacity on behalf of the Developer, that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2271 of the Texas Government Code, and subject to applicable federal law, neither the Developer, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Developer, as of the date of this Agreement, (i) boycotts Israel; or (ii) will boycott Israel during the term of this Agreement. The terms “boycotts Israel” and “boycott Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

Q. Boycott of Certain Energy Companies – The Developer represents, to the current actual knowledge of the Developer' Officer, in such Developer's Officer's representative capacity on behalf of the Developer, that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2274.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2274 of the Texas Government Code, and subject to applicable federal law, neither the Developer, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Developer, as of the date of this Agreement, (i) boycotts energy companies; or (ii) will boycott energy companies during the term of this Agreement. The term “boycott energy companies” as used in this paragraph has the meaning assigned to the term “boycott energy company” in Section 809.001 of the Texas Government Code, as amended.

R. Discrimination Against Firearm Entity or Firearm Trade Association – The Developer represents, to the current actual knowledge of the Developer' Officer, in such Developer's Officer's representative capacity on behalf of the Developer, that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2274.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2274 of the Texas Government Code, and subject to applicable federal law, neither the Developer, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Developer, as of the date of this Agreement, (i) has a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; or (ii) will discriminate against a firearm entity or firearm trade association during the term of this Agreement. The term “discriminate against a firearm entity or firearm trade association” as used in this paragraph have the meanings assigned to the term in Section 2274.001 of the Texas Government Code, as amended.

S. Iran, Sudan and Foreign Organizations – Section 2252.151 of the Texas Government Code defines a “governmental contract” as a contract awarded by a governmental entity for general construction, an improvement, a service, or a public works project or for a purchase of supplies, materials, or equipment, and provides that the term includes a contract to obtain a professional or consulting service subject to Chapter 2254 of the Texas Government Code. The Developer represents, to the current actual knowledge

of the Developer's Officer, in his or her representative capacity on behalf of the Developer, that, as of the date of this Agreement, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Subchapter F of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Developer nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Developer is an entity listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

T. Form 1295 – Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

IN WITNESS WHEREOF, the City and Developer have executed this Agreement.

CITY OF FATE, TEXAS

DR HORTON – TEXAS, LTD
a Domestic Limited Partnership

Michael Kovacs, City Manager

By: _____

Date: _____

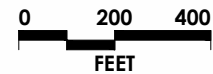
Name: _____

Title: _____

ATTEST:

Vickey Raduechel, City Secretary

Exhibit A
The Property



ROCHELLE ROAD

M&D DYNAMIC, LLC,
C.C.# 20180000017835
O.P.R.R.C.T.

ROCHELLE ROAD
16" WL

49.5 ACRES
ROCKWALL INDEPENDENT SCHOOL DISTRICT
VOL. 4861, PG. 249
O.P.R.R.C.T.

GETTYSBURG BOULEVARD

21.935 ACRES
TRACT ONE
ROCKWALL FUND I, L.L.C.
VOL. 1110, PG. 190
O.P.R.R.C.T.

DISCOVERY LAKES LLC
VOL. 2015, PG. 15193
O.P.R.R.C.T.

WILLIAMSBURG
PHASE 3B

WILLIAMSBURG
PHASE 3B

WILLIAMSBURG
PHASE 3A-2

WILLIAMSBURG
PHASE 2A

85.479 ACRES
TRACT TWO
ROCKWALL FUND, L.L.C.
VOL. 1110, PG. 190
O.P.R.R.C.T.

EXHIBIT A

THE PROPERTY

AUGUST 2023

LJA Engineering, Inc.

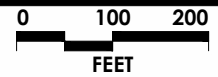
6060 North Central Expressway
Suite 400
Dallas, Texas 75206

Phone 469.621.0710

FRN - F-1386

Exhibit B

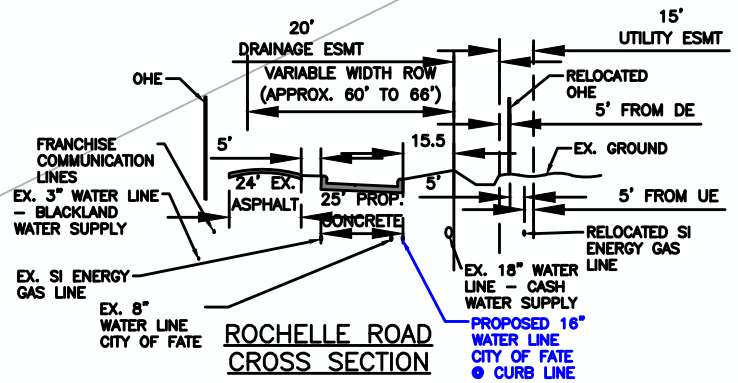
The Project



I-30

EXISTING 8" CITY OF FATE WATERLINE

M&D DYNAMIC, LLC.
C.C.# 20180000017835
O.P.R.R.C.T.



PROPOSED 16" CITY OF FATE WATERLINE
(1,241 LF)

EXISTING 3" BLACKLAND WATER SUPPLY WATERLINE

ROCHELLE ROAD

49.50 ACRES
TRACT I
ROCKWALL INDEPENDENT SCHOOL DISTRICT
VOL. 4661, PG. 249
O.P.R.R.C.T.

EXISTING 8" CITY OF FATE WATERLINE
(REMOVE & DISPOSE)

19.49 ACRES
VMW PROPERTIES, LP
VOL. 4625, PG. 74
O.P.R.R.C.T.

EXISTING 18" CASH SUD WATERLINE

EXISTING 16" CITY OF FATE WATERLINE

GETTYSBURG BOULEVARD

EXHIBIT B
THE PROJECT
AUGUST 2023

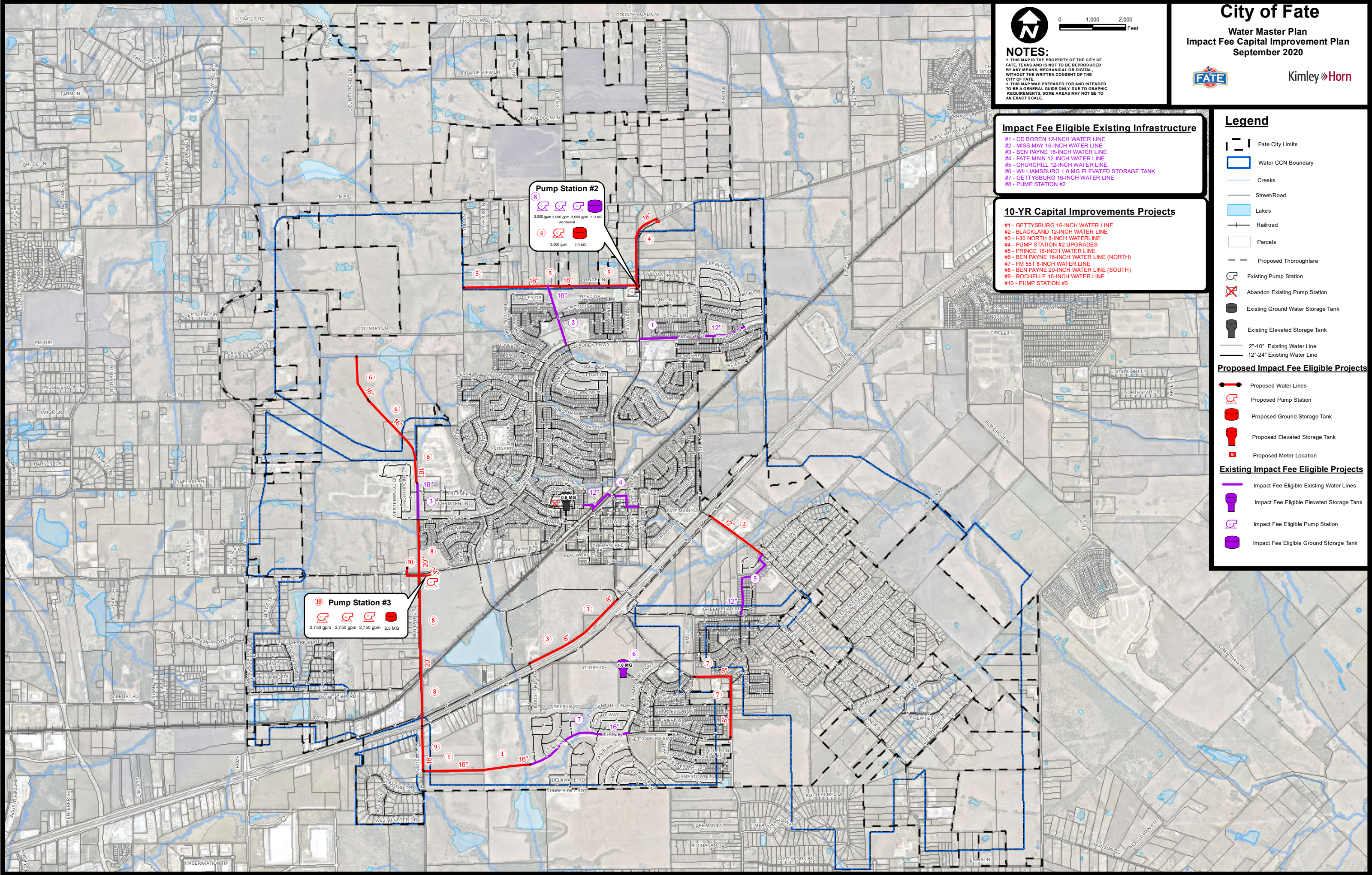
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206

Phone 469.621.0710
FRN - F-1386



FRN - F-1386

Exhibit 2





To: Mayor & City Council

From: Jon Thatcher, City Attorney

Cc: Michael Kovacs, City Manager

Date: August 21, 2023

Agenda Item & Caption: Discuss and consider approval of an Ordinance amending Chapter 18, "Miscellaneous Offenses" of the City of Fate Code of Ordinances, by repealing Article II, Division 2, "Curfew".

Action Requested: Consider approval of the Ordinance

Person responsible for placing this item on the agenda: Jon Thatcher, City Attorney

SUMMARY STATEMENT

On June 9, 2023, Texas Governor, Greg Abbott, signed Texas House Bill 1819, which preempts political subdivisions, including Texas cities from adopting or enforcing an ordinance that imposes a juvenile curfew. This new bill is codified as Section 370.007 of the Texas Local Government Code and becomes effective on September 1, 2023.

In response to the new legislation, the proposed ordinance repeals the City existing juvenile curfew regulations, located in Chapter 18 of the Code of Ordinances.

Supporting Documents:

- Ordinance

ORDINANCE NO. O-2023-

AN ORDINANCE OF THE CITY OF FATE, TEXAS AMENDING THE CITY OF FATE CODE OF ORDINANCES, PROVIDING FOR THE REPEAL OF CHAPTER 18, ARTICLE II, DIVISION 2 – CURFEW; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Texas Governor Greg Abbott signed Texas House Bill 1819 on June 9, 2023, which prohibits a political subdivision from adopting or enforcing an order, ordinance, or other measure that imposes a curfew to regulate the movements or actions of persons younger than 18 years of age; and

WHEREAS, this new law, Texas Local Government Code Section 370.007, will take effect on September 1, 2023; and

WHEREAS, the City Council for the City of Fate (“City Council”) intends to comply with state law and legislative intent.

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

Section 1. FINDINGS

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

Section 2. AMENDMENT OF CHAPTER 18 – MISCELLANEOUS OFFENSES

Chapter 18 of the Code of Ordinances of the City of Fate is hereby amended to repeal Article II, Division 2, “Curfew”, in its entirety.

Section 3. SEVERABILITY

If any provision, section, sentence, clause, or phrase of the Ordinance or the application of same to any person or set of circumstances, if for any reason held to be unconstitutional, void, or invalid or for any reason unenforceable, the validity of the remaining portion of this Ordinance or its application to other persons or sets of circumstances shall not be affected thereby, it being the intention of the City Council of the City of Gainesville in adopting and of the Mayor in approving this Ordinance, that no portion hereof or provision or regulation contained herein shall become inoperative or fail by any reason or any unconstitutionality or the invalidity of any portion, provision, or regulation.

Section 4. REPEAL OF CONFLICTING ORDINANCES

All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. EFFECTIVE DATE

This Ordinance shall take effect immediately from and after its passage and publication as required by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Fate, Texas, on this the 21st day of August 2023.

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Jon Thatcher, City Attorney



To: Mayor & City Council

From: Michael Kovacs, City Manager
Jon Thatcher, City Attorney

Date: August 21, 2023

Agenda Item & Caption: Consider approval of a Resolution approving a negotiated settlement between the ATMOS Cites Steering Committee and ATMOS Energy Corp., Mid-Tex Division regarding the company's 2023 Rate Review Mechanism filing.

Action Requested: Consider approval of the Resolution

Party Responsible for Placing Item on the Agenda: Jon Thatcher, City Attorney

BACKGROUND AND SUMMARY

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about March 31, 2023, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2022, entitled it to additional system-wide revenues of \$165.9 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to \$156.1 million, \$113.8 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$130.9 million instead of the claimed \$156.1 million.

After several settlement meetings, the parties have agreed to settle the case for \$142 million. This is a reduction of \$23.9 million to the Company's initial request. This includes payment of ACSC's expenses. The settlement also includes an additional \$19.5 million for the securitization regulatory asset expenses related to Winter Storm Uri. This was previously approved by the Texas Legislature and Railroad Commission. The Effective Date for new rates is October 1, 2023. ACSC members should take action approving the Resolution/Ordinance before September 30, 2023.



RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution will generate \$142 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$6.47 on a monthly basis, or 7.31%. The increase for average commercial usage will be \$24.72 or 5.19%. Atmos provided bill impact comparisons containing these figures.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2023, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)

	<u>Average Bill</u>	<u>Compared to RRM Cities</u>
RRM Cities:	\$42.62	-
DARR:	\$42.55	(\$0.07)
ATM Cities:	\$44.39	\$1.77
Environs:	\$44.27	\$1.65

Note: ATM Cities and Environs rates are as-filed. Also note that DARR uses a test year ending in September rather than December.



EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$142 million on a system-wide basis.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution/Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Resolution.
8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage.
11. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature’s GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex’s claim that its historic cost of service should entitle it to recover \$165.9 million in additional system-wide revenues, the RRM settlement at \$142 million for ACSC members reflects substantial savings to ACSC cities. Settlement at \$142 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before September 30, 2023. New rates become effective October 1, 2023.

Financial Considerations:

See above under Bill Impact.

Supporting Documents:

- Resolution
- New Rate Tariffs
- ATMOS Pensions and Retiree Medical Benefits Benchmarks
- Average Bill Impacts

CITY OF FATE, TEXAS
RESOLUTION NO. 2022-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FATE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2023 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Fate, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about March 1, 2023, Atmos Mid-Tex filed its 2023 RRM rate request with ACSC Cities based on a test year ending December 31, 2022; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2023 RRM filing through its Executive Committee, assisted by ACSC’s attorneys and consultants, to resolve issues identified in the Company’s RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC’s counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$142 million on a system-wide basis with an Effective Date of October 1, 2023; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications; and

WHEREAS, the RRM Tariff includes Securitization Interest Regulatory Asset amount of \$19.5 million.

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

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$142 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2023 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$142 on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2023 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after September 30, 2023.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 21st DAY OF AUGUST 2023.

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary

APPROVED AS TO FORM:

Jon Thatcher, City Attorney

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 22.25 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 22.30 per month
Commodity Charge – All <u>Ccf</u>	\$0.48567 per Ccf ²

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2023.

²The commodity charge includes the base rate amount of \$0.46724 per Ccf and Securitization Regulatory Asset amounts related to financing costs in the amount of \$0.01843 per Ccf until recovered.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 72.00 per month
Rider CEE Surcharge	(\$ 0.02) per month ¹
Total Customer Charge	\$ 71.98 per month
Commodity Charge – All Ccf	\$ 0.18280 per Ccf ²

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx.plantprotection@atmosenergy.com.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2023.

²The commodity charge includes the base rate amount of \$0.16437 per Ccf and Securitization Regulatory Asset amounts related to financing costs in the amount of \$0.01843 per Ccf until recovered.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,382.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.7484 per MMBtu ¹
Next 3,500 MMBtu	\$ 0.5963 per MMBtu ¹
All MMBtu over 5,000 MMBtu	\$ 0.2693 per MMBtu ¹

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees

¹ The tiered commodity charges include the base rate amounts of \$0.5684, \$0.4163, and \$0.0893 per MMBtu, respectively, plus Securitization Regulatory Asset amounts related to financing costs in the amount of \$0.1800 per MMBtu until recovered.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx.plantprotection@atmosenergy.com.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,382.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.5684 per MMBtu
Next 3,500 MMBtu	\$ 0.4163 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0893 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	9.51	0.1415	88.91	0.7010
Austin	8.87	0.1213	213.30	0.7986
Dallas	12.54	0.2007	185.00	0.9984
Waco	8.81	0.1325	125.26	0.7313
Wichita Falls	10.36	0.1379	122.10	0.6083

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2022

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark -						
	Fiscal Year 2023 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 1,434,339	\$ (518,336)	\$ 2,336,419	\$ (2,678,818)	\$ 267,917	
2	Allocation Factor	44.92%	44.92%	78.74%	78.74%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 644,336	\$ (232,848)	\$ 1,839,667	\$ (2,109,267)	\$ 267,917	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	\$ 644,336	\$ (232,848)	\$ 1,839,667	\$ (2,109,267)	\$ 267,917	\$ 409,804
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	78.60%	78.60%	39.63%	39.63%	11.00%	
8							
9	Summary of Costs to Approve (1):						
10	Total Pension Account Plan	\$ 506,464		\$ 729,006			\$ 1,235,469
11	Total Post-Employment Benefit Plan		\$ (183,024)		\$ (835,840)		(1,018,864)
12	Total Supplemental Executive Benefit Plan					\$ 29,471	29,471
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 506,464	\$ (183,024)	\$ 729,006	\$ (835,840)	\$ 29,471	\$ 246,076

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2022**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
1	Rate R @ 43.6 Ccf				
2	Customer charge	\$ 21.55			
3	Consumption charge 43.6 CCF X \$ 0.36223 =	15.79			
4	Rider GCR Part A 43.6 CCF X \$ 0.63625 =	27.74			
5	Rider GCR Part B 43.6 CCF X \$ 0.41732 =	18.20			
6	Subtotal	\$ 83.28			
7	Rider FF & Rider TAX \$ 83.28 X 0.06237 =	5.19			
8	Total	\$ 88.47			
9					
10	Customer charge		\$ 22.25		
11	Consumption charge 43.6 CCF X \$ 0.48567 =		21.18		
12	Rider GCR Part A 43.6 CCF X \$ 0.63625 =		27.74		
13	Rider GCR Part B 43.6 CCF X \$ 0.41732 =		18.20		
14	Subtotal		\$ 89.37		
15	Rider FF & Rider TAX \$ 89.37 X 0.06237 =		5.57		
16	Total		\$ 94.94	\$ 6.47	7.31%
17					

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2022

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
18	<u>Rate C @ 356.6 Ccf</u>				
19	Customer charge	\$ 63.50			
20	Consumption charge 356.6 CCF X \$ 0.14137 =	50.41			
21	Rider GCR Part A 356.6 CCF X \$ 0.63625 =	226.86			
22	Rider GCR Part B 356.6 CCF X \$ 0.30202 =	107.69			
23	Subtotal	\$ 448.46			
24	Rider FF & Rider TAX \$ 448.46 X 0.06237 =	27.97			
25	Total	<u>\$ 476.43</u>			
26					
27	Customer charge		\$ 72.00		
28	Consumption charge 356.6 CCF X \$ 0.18280 =	65.18			
29	Rider GCR Part A 356.6 CCF X \$ 0.63625 =	226.86			
30	Rider GCR Part B 356.6 CCF X \$ 0.30202 =	107.69			
31	Subtotal	\$ 471.73			
32	Rider FF & Rider TAX \$ 471.73 X 0.06237 =	29.42			
33	Total	<u>\$ 501.15</u>	<u>\$ 24.72</u>		5.19%
34					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2022**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
35	<u>Rate I @ 1720 MMBTU</u>				
36	Customer charge	\$ 1,204.50			
37	Consumption charge 1,500 MMBTU X \$ 0.4939 =	740.85			
38	Consumption charge 220 MMBTU X \$ 0.3617 =	79.64			
39	Consumption charge 0 MMBTU X \$ 0.0776 =	-			
40	Rider GCR Part A 1,720 MMBTU X \$ 6.2134 =	10,688.12			
41	Rider GCR Part B 1,720 MMBTU X \$ 0.6267 =	1,078.08			
42	Subtotal	\$ 13,791.19			
43	Rider FF & Rider TAX \$13,791.19 X 0.06237 =	860.17			
44	Total	<u>\$ 14,651.36</u>			
45					
46	Customer charge		\$ 1,382.00		
47	Consumption charge 1,500 MMBTU X \$ 0.7484 =		1,122.62		
48	Consumption charge 220 MMBTU X \$ 0.5963 =		131.30		
49	Consumption charge 0 MMBTU X \$ 0.2693 =		-		
50	Rider GCR Part A 1,720 MMBTU X \$ 6.2134 =		10,688.12		
51	Rider GCR Part B 1,720 MMBTU X \$ 0.6267 =		1,078.08		
52	Subtotal		\$ 14,402.12		
53	Rider FF & Rider TAX \$14,402.12 X 0.06237 =		898.28		
54	Total		<u>\$ 15,300.40</u>	\$ 649.04	4.43%
55					

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2022

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
56	Rate T @ 4720 MMBTU				
57	Customer charge	\$ 1,204.50			
58	Consumption charge 1,500 MMBTU X \$ 0.4939 =	740.85			
59	Consumption charge 3,220 MMBTU X \$ 0.3617 =	1,164.50			
60	Consumption charge 0 MMBTU X \$ 0.0776 =	-			
61	Rider GCR Part B 4,720 MMBTU X \$ 0.6267 =	2,957.85			
62	Subtotal	\$ 6,067.70			
63	Rider FF & Rider TAX \$ 6,067.70 X 0.06237 =	378.45			
64	Total	<u>\$ 6,446.15</u>			
65					
66	Customer charge		\$ 1,382.00		
67	Consumption charge 1,500 MMBTU X \$ 0.5684 =	852.60			
68	Consumption charge 3,220 MMBTU X \$ 0.4163 =	1,340.29			
69	Consumption charge 0 MMBTU X \$ 0.0893 =	-			
70	Rider GCR Part B 4,720 MMBTU X \$ 0.6267 =	2,957.85			
71	Subtotal	\$ 6,532.74			
72	Rider FF & Rider TAX \$ 6,532.74 X 0.06237 =	407.45			
73	Total	<u>\$ 6,940.19</u>	<u>\$ 494.04</u>		7.66%



To: Mayor & City Council

From: Michael Kovacs, City Manager
Jon Thatcher, City Attorney

Date: August 21, 2023

Agenda Item & Caption: Consider approval of an Ordinance approving a negotiated settlement between the City of Fate and SiEnergy, LP regarding the Company's Statement of Intent to increase gas utility rates within its service territory.

Action Requested: Consider approval of the Ordinance

Party Responsible for Placing Item on the Agenda: Jon Thatcher, City Attorney

Purpose of the Ordinance:

The purpose of the Ordinance is to adopt the Unanimous Settlement Agreement (included as Attachment 1 to the Ordinance) between the City of Fate and SiEnergy, LP ("SiEnergy" or the "Company") regarding the Company's Statement of Intent to increase rates within its service territory and to approve tariffs, and proof of revenues, and depreciation rates (included as Attachments 2 and 3 to the Ordinance) that implement the terms of the Settlement Agreement.

Approval of the Ordinance will result in a revenue requirement of \$27.95 million for SiEnergy. This is a \$4.19 million reduction to the \$32.14 million revenue requirement requested by SiEnergy in its Statement of Intent and an increase of approximately \$5.5 million in current annual revenues system wide. The Settlement Agreement also reflects an agreement that the Company will not utilize the Gas Reliability Infrastructure Program to make interim rate adjustments before its next comprehensive rate case. The Settlement Agreement also increases the residential monthly customer charge to \$19.25. Through settlement, SiEnergy agreed to provide a one-time aggregate credit totaling \$101,084. The Settlement Agreement approves the recovery of the City's reasonable rate case expenses and the Company's agreed-to rate case expenses through a surcharge on customers' bills. Cities who took action suspending the rate application have until September 7, 2023 to take final action on the application.

Procedural History:

On May 5, 2023, SiEnergy filed a Statement of Intent seeking to increase gas utility rates within the incorporated areas served by SiEnergy in North, Central and South Texas. The affected municipalities include the cities of Austin, Celina, Conroe, Fate, Forney, Fort Worth, Fulshear, Grand Prairie, Houston, Manor, Mansfield, Missouri City, Princeton, Sugar Land, and Waxahachie, Texas. In the filing, the Company asserts it is entitled to a \$2.67 million revenue increase in the incorporated areas or a 47.3% increase over current adjusted revenues, excluding gas costs. The Company asked for a \$32.14 million revenue requirement.

The Cities of Fate, Forney, Fort Worth, Fulshear, Grand Prairie, Houston, Mansfield, Missouri City, Sugarland, and Waxahachie (together "Cities Served by SiEnergy" or "Cities")



took action to suspend the June 9, 2023, effective date and participate in the proceeding as a coalition. Cities hired an attorney and natural gas rate experts to investigate the Company's request and conduct discovery. Based upon their analysis, they were able to negotiate a reasonable final resolution of the rate request.

Under the law, cities with original jurisdiction over the matter have until September 7, 2023, to take final action on the application. The Railroad Commission of Texas suspended the effective date for a period of 150 days, to November 6, 2023, in accordance with the Gas Utility Regulatory Act.

Reasons Justifying Settlement:

SiEnergy's rate request is the first time that the Company has taken action to increase the rates charged for distributing natural gas to the City in approximately five years. During the time that the City has retained original jurisdiction in this case, consultants working on behalf of the Cities of Fate, Forney, Fort Worth, Fulshear, Grand Prairie, Houston, Mansfield, Missouri City, Sugarland, and Waxahachie have investigated the support for the Company's requested rate increase.

Based upon the analysis conducted by the cities' consultants, the Cities were able to negotiate a reasonable resolution of the Company's request that avoids costly litigation before the Railroad Commission, ensures that the Company's revenues are sufficient to provide safe and reliable natural gas service to customers in its service territory, and protects the interests of the City and its citizens.

Explanation of "Be It Ordained" Parts:

- Part 1.** This part recites the procedural history of the case, approves the revenue requirement, the agreement for SiEnergy not to utilize Gas Reliability Infrastructure Program interim rate adjustments, approves the tariffs, approves SiEnergy's one-time aggregate credit, approves implementation of a uniform rate in the North, Central and South Texas service areas, and approves the agreed-upon rate case expenses.
- Part 2.** This part states that the City has original jurisdiction over SiEnergy's rates within the City limits.
- Part 3.** This section adopts the Settlement Agreement in all respects and finds it to be just, reasonable and in the public interest.
- Part 4.** This section approves a \$27.95 million revenue requirement as determined on a system-wide basis.
- Part 5.** This section clarifies that SiEnergy's initial rate application is denied except to the extent that it is approved as part of the Settlement Agreement and the ordinance.
- Part 6.** This part approves the rates and tariffs consistent with the Settlement Agreement.
- Part 7.** This section approves the depreciation rates included within the tariffs.



Part 8. This paragraph directs SiEnergy to reimburse the City for their reasonable rate case expenses within 30 days from the Commission's Final Order approving the settlement.

Part 9. This section clarifies that nothing in the ordinance limits or restricts the City's legal authority over SiEnergy.

Part 10. This section provides for an effective date upon passage.

Financial Considerations:

Bill Impact:

Average Bills for a residential customer using SiEnergy

Current - \$54.86

SiEnergy Proposed - \$70.02

Settlement - \$63.50

Supporting Documents:

- Ordinance
- Attachment 1 - Settlement Agreement
- Attachment 2 - Rates, Tariffs, Charges, Schedules, and Service Rules
- Attachment 3 - Depreciation Rates

ORDINANCE NO. O-2023-

AN ORDINANCE OF THE CITY OF FATE, TEXAS ADOPTING A UNANIMOUS SETTLEMENT AGREEMENT, SETTING RATES AND ESTABLISHING TARIFFS FOR THE PROVISION OF NATURAL GAS SERVICE BY SIENERGY, LP WITHIN THE CITY OF FATE; DECLARING THIS ORDINANCE TO BE A FINAL DETERMINATION OF RATES; REQUIRING ACCEPTANCE BY SIENERGY, LP OF THE RATES PRESCRIBED HEREIN; AND ESTABLISHING AN EFFECTIVE DATE.

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

PART 1. The City Council for the City of Fate, Texas (“City Council”) finds:

- (A) On May 5, 2023, SiEnergy, LP (“SiEnergy” or “Company”) filed with the Railroad Commission of Texas, the City of Fate, Texas (“City”), and the other affected cities in North, Central and South Texas, its Statement of Intent to increase its annual revenue by \$2.67 million within the incorporated areas in its service territory, or by \$9.69 million system wide. In its Statement of Intent, SiEnergy requested a \$32.14 million revenue requirement.
- (B) In accordance with the Gas Utility Regulatory Act, Utilities Code, § 104.107, the City suspended SiEnergy’s proposed effective date of June 9, 2023, for a period not to exceed 90 days from SiEnergy’s proposed effective date, to September 7, 2023. The Railroad Commission of Texas suspended the proposed effective date for a period of 150 days, to November 6, 2023. The effective date is November 6, 2023.
- (C) SiEnergy provided public notice of its proposed increase in rates in accordance with the Gas Utility Regulatory Act.
- (D) A revenue requirement in the amount of \$27.95 million per annum is reasonable and consistent with the requirements of the Gas Utility Regulatory Act, will permit SiEnergy a reasonable opportunity to earn a reasonable return on its invested capital, and will yield a fair return upon the adjusted value of SiEnergy’s property used and useful in rendering service to the public. The negotiated revenue requirement results in an increase of approximately \$5.5 million in current annual revenues system wide. It is appropriate for SiEnergy to implement a uniform, system-wide cost of service and rates throughout the Company’s North, Central and South Texas service areas.
- (E) It is reasonable for SiEnergy to provide a one-time aggregate credit totaling \$101,084 that is apportioned as follows:
 - a. An aggregate total credit of \$6,851 to be distributed to current residential customers within the unincorporated areas of SiEnergy’s North Texas service area as a uniform, one-time, per customer credit;

- b. An aggregate total of \$44,233 to be distributed to current residential customers served within the City of Fort Worth as a uniform, one-time, per customer credit; and,
 - c. An aggregate total of \$50,000 to be distributed to current residential customers served within the City of Mansfield as a uniform, one-time, per customer credit.
- (F) SiEnergy agrees to not utilize the Gas Reliability Infrastructure Program to make interim rate adjustments before it files its next base rate case.
- (G) The tariffs and specific rates and charges, and customer service rules appended to this ordinance are reasonable and in the public interest.
- (H) The costs of the City’s rate consultants, attorneys, and technical staff to conduct investigations, present evidence, advise and represent the City in these rate-making proceedings as set out in the Settlement Agreement are reasonable and necessary expenses, as are the agreed-upon rate case expenses incurred by SiEnergy in this proceeding.

PART 2. The City is the regulatory body with exclusive original jurisdiction over the rates, operations, and services of SiEnergy within the municipality.

PART 3. The Unanimous Settlement Agreement (“Settlement Agreement”) entered into between SiEnergy and the City and appended to this ordinance as “Attachment 1” is in the public interest and is adopted by this ordinance.

PART 4. A revenue requirement of \$27.95 million for SiEnergy, as determined on a system-wide basis for its service territory, is approved within the City.

PART 5. Except to the extent approved in this ordinance and the Settlement Agreement appended to this ordinance as “Attachment 1”, the City denies SiEnergy’s request for rates, tariffs, and charges as proposed in SiEnergy’s Statement of Intent and rate increase request filed with the City on or about May 5, 2023.

PART 6. The rates, tariffs, charges, schedules, and service rules appended to this ordinance as “Attachment 2” for natural gas service provided by SiEnergy within the City, are reasonable and are hereby approved.

PART 7. The proposed depreciation and amortization rates set forth on the Depreciation Rates summary appended to this ordinance as “Attachment 3” are reasonable and hereby approved by this ordinance.

PART 8. The costs of rate consultants, attorneys, and technical staff to conduct investigations, present evidence, advise, and represent the City in these rate-making proceedings shall be reimbursed to the City by SiEnergy within 30 days of the Commission’s Final Order approving the settlement.

PART 9. Nothing in this ordinance shall be construed as limiting or modifying in any manner the right and power of the City under the law to regulate the rates and charges of SiEnergy.

PART 10. This ordinance takes effect on September 7, 2023.

PASSED AND APPROVED this 21st day of August, 2023.

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Jon Thatcher, City Attorney

STATEMENT OF INTENT FILED BY §
SIENERGY, LP TO INCREASE RATES §
IN THE UNINCORPORATED AREAS §
OF NORTH, CENTRAL, AND SOUTH §
TEXAS §

BEFORE THE
RAILROAD COMMISSION
OF TEXAS

UNANIMOUS SETTLEMENT AGREEMENT

This Unanimous Settlement Agreement is entered into by and between SiEnergy, LP (“SiEnergy” or “Company”); the Cities Served by SiEnergy (“Cities”); the City of Princeton; and the Railroad Commission of Texas (“Commission”) Staff, (collectively, the “Signatories”).

WHEREAS, on May 5, 2023, SiEnergy filed a Statement of Intent to Increase Rates (“Statement of Intent”) within all incorporated and unincorporated areas in which SiEnergy provides service in Texas; and

WHEREAS, the Commission docketed the rate request as OS-23-00013504; and

WHEREAS, Cities, the City of Princeton and Commission Staff sought intervention and were granted party status in OS-23-00013504;¹ and

WHEREAS, SiEnergy requested an effective date of June 9, 2023 for the proposed rate increase and the Commission suspended the implementation of the Company’s rate request on May 17, 2023, for an additional 150 days beyond the requested effective date; and

WHEREAS, SiEnergy provided public notice by direct mail on June 15, 2023, to all affected customers and filed an affidavit attesting to completion of public notice on July 19, 2023; and

WHEREAS, on or before June 9, 2023, the cities within the Cities Served by SiEnergy suspended the implementation of the Company’s rate request by 90 days to September 6, 2023; and

WHEREAS, on May 22, 2023, the City of Princeton denied SiEnergy’s rate request within the incorporated area of Princeton; and

WHEREAS, on June 20, 2023, the Company appealed the City of Princeton’s rate request denial and sought consolidation of the appeal with OS-23-00013504;² and

WHEREAS, the rate case expense issues were severed from the original filing and were docketed as OS-23-00014535; and

¹ Cities is comprised of Austin, Celina, Fate, Forney, Fort Worth, Fulshear, Grand Prairie, Houston, Mansfield, Missouri City, Sugar Land, and Waxahachie.

² The Administrative Law Judge (“ALJ”) granted the requested consolidation on August 4, 2023.

WHEREAS, the Signatories have filed a motion to consolidate the rate case expense issues back into OS-23-00013504;³ and

WHEREAS, direct testimony of Cities and the City of Princeton was due on July 18, 2023 and Staff testimony was due on July 27, 2023, but Cities, the City of Princeton, and Staff did not file direct testimony in reliance on this Unanimous Settlement Agreement; and

WHEREAS, all parties to this proceeding have engaged in significant discovery regarding the issues in dispute; and

WHEREAS, the Signatories agree that resolution of this docket by unanimous settlement agreement will significantly reduce the amount of reimbursable rate case expenses associated with this docket; and

WHEREAS, the Signatories represent diverse interests and the Unanimous Settlement Agreement resolves the issues in OS-23-00013504 in a manner that the Signatories agree is consistent with the public interest;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to and recommend for approval by the Commission the following Settlement Terms as a means of concluding the above-referenced docket filed by SiEnergy without the need for prolonged litigation:

Settlement Terms

1. As a product of compromise and for the purposes of settlement, the Signatories agree to the rates, terms and conditions reflected in the tariffs attached to this Unanimous Settlement Agreement as Exhibit A. The tariffs attached as Exhibit A replace and supersede those tariffs currently in effect within all incorporated and unincorporated areas served by SiEnergy in Texas. These tariffs are premised on an increase of \$5,500,000 in current annual revenues as illustrated in the proof of revenues attached as Exhibit B to this Unanimous Settlement Agreement. Except as specifically provided herein, the Signatories agree that the \$5,500,000 revenue increase is a “black box” figure and is not tied to any specific expense in the underlying cost of service. The Signatories further agree that the rates, terms and conditions reflected in Exhibit A to this Unanimous Settlement Agreement comply with the rate-setting requirements of Chapter 104 of the Texas Utilities Code (“Tex. Util. Code”). The gas rates, terms and conditions established by this Unanimous Settlement Agreement shall be effective upon approval by the Commission or other regulatory authority.
2. The Signatories agree that it is appropriate to establish rates for SiEnergy on a system-wide cost of service basis and that the following customer charges and volumetric rates, as well as other rates set forth in the schedules attached as Exhibit A should be uniformly adopted for customers receiving service from SiEnergy:

³ The ALJ has not yet consolidated the rate case expense docket into OS-23-00013504. The Signatories anticipate that the requested consolidation will be granted.

Rate Schedule*	Customer Charge	Single Block Volumetric Charge
Residential	\$19.25	\$0.6511 per Ccf
General Service Small	\$42.50	\$0.6958 per Ccf

* Rates are applicable to customers taking service under both the incorporated and unincorporated area rate tariffs.

3. The Signatories agree that within 60 days of a Final Order approving the Unanimous Settlement Agreement, the Company will provide the following bill credits to resolve all issues related to the establishment of initial rates in all regulatory jurisdictions served by the Company. Each bill credit will be applied on a per-customer basis as one-time bill credit to each current residential customer in the following applicable regulatory jurisdiction and the Company will provide notice to each applicable regulatory authority within 14 days of completing the bill credits to customers:
 - a. A total aggregate credit of \$50,000 will be equally distributed to residential customers within the City of Mansfield as a uniform, one-time bill credit.
 - b. A total aggregate credit of \$44,233 will be equally distributed to residential customers within the City of Fort Worth as a uniform, one-time bill credit.
 - c. A total aggregate credit of \$6,851 will be equally distributed to residential customers within the unincorporated areas of SiEnergy's North Texas Service Area as a uniform, one-time bill credit.
4. SiEnergy agrees that it will notify relevant regulatory authorities and the Commission at least 60 days in advance of instituting initial rates that are different from rates approved in this docket.
5. SiEnergy agrees to timely file incorporated and unincorporated tariffs for initial rates with the relevant regulatory authorities and the Commission in accordance with 16 Tex. Admin. Code § 7.315.
6. The Signatories agree that a net plant amount of \$151,586,096 as of March 31, 2023, is prudent, used and useful, just and reasonable and appropriately included in the Company's rate base.
7. The Signatories agree that in addition to the net plant amount of \$151,586,096 referenced in Paragraph 6 of this Unanimous Settlement Agreement, SiEnergy is entitled to recover as part of the Company's next rate case an additional \$6,561,803 in net plant as of March 31, 2023, related to plant held for future use, as such amounts are not reflected in the net plant amount referenced in Paragraph 6 of this Unanimous Settlement Agreement. Signatories further agree that this amount is appropriate for recovery in the next rate case, subject to the Company providing evidence in that case that the plant is used and useful, connected to and capable of delivering gas to active customers, and prudent.
8. The Signatories agree that to the extent SiEnergy's future rate case filings include developer reimbursements or fees under a Natural Gas System Development Agreement or any other

similar agreement with a developer, the Company will specifically identify the amounts sought to be recovered in direct testimony, schedules, and workpapers to aid in the regulatory review of such costs.

9. The Signatories agree that the Company is entitled to recover its Winter Storm Uri regulatory asset in the amount of \$929,680 over a six (6) year amortization period.
10. The Signatories agree to the depreciation rates reflected in Exhibit C to this Unanimous Settlement Agreement.
11. The Signatories agree that it is not necessary to establish Interim Rate Adjustment (IRA) factors in this rate proceeding as SiEnergy will not utilize the provisions of Tex. Util. Code § 104.301 prior to its next Statement of Intent filing.
12. SiEnergy agrees that it will maintain historical records relating to its gas cost purchases for ten years or until the resolution of a subsequent Statement of Intent filing.
13. The Signatories agree that SiEnergy has fully satisfied all requirements set forth in Gas Utilities Docket (“GUD”) No. 10695 and Gas Utilities Accounting Order (February 27, 2018) and Order Nunc Pro Tunc (March 20, 2018) issued in GUD No. 10695, relating to Regulatory Accounting Related to Federal Income Tax Changes.
14. The Signatories agree that the Company has fully satisfied all requirements set forth in the Final Order in the Company’s last rate case, GUD No. 10679.
15. The Signatories agree that, unless and until Commission policy or rules regarding recovery of meals and hotels change, SiEnergy will adhere, for the purposes of rate recovery, to the Commission’s current limits of \$25.00 for meals, exclusive of tax and tip, and \$175.00 for hotels, exclusive of tax.
16. The Signatories agree that the September 10, 2019, equity transaction between RI SiEnergy Holdings, LLC, ORIX AM Investments, LLC, and SiEnergy’s original investors entities is in the public interest pursuant to Tex. Util. Code § 102.051 and that the Company is authorized to amortize the acquisition adjustment over a period of 33.63 years.
17. SiEnergy, Cities and the City of Princeton represent that their reasonable rate case expenses incurred through July 31, 2023, and estimated rate case expenses incurred through completion of this case, are as follows:

	Actual Cost Through July 31, 2023	Estimated Cost to Completion	TOTAL
SiEnergy	\$437,895.91	\$15,000.00	\$452,895.91
Cities	\$115,005.00	\$6,800.00	\$121,805.00
Princeton	\$68,838.50	\$6,500.00	\$75,338.50
Total Rate Case Expenses	\$621,739.41	\$28,300.00	\$650,039.41

18. Exhibit D to this Unanimous Settlement Agreement are the affidavits and invoices supporting the rate case expenses that SiEnergy, Cities and the City of Princeton seek to recover. These amounts will be supplemented with additional invoices as they are processed. The Signatories agree that the amounts represented above are reasonable and recoverable pursuant to Tex. Util. Code § 103.022. The Signatories agree that rate case expenses shall be recovered through a uniform volumetric surcharge and that the recovery period for the applicable surcharge to recover rate case expenses shall be thirty-six (36) months. The Signatories agree that the Commission should authorize recovery of the rate case expenses recited above in this proceeding and at the same time as it approves this Unanimous Settlement Agreement.
19. The Signatories agree that the Company will reimburse the City of Princeton and Cities in the respective amounts approved for rate case recovery within 30 days of the Commission's final order approving this Unanimous Settlement Agreement.
20. The Signatories agree that equal recovery of rate case expenses arising from this proceeding from all customers within all incorporated and unincorporated areas served by SiEnergy in Texas is appropriate and reasonable and that good cause exists to support equal recovery of rate case expenses from all customers within all incorporated and unincorporated areas served by SiEnergy for the following reasons:
 - a. SiEnergy Litigation and Estimated expenses: Good cause exists to recover SiEnergy litigation and estimated expenses equally from all customers, including customers within all incorporated and unincorporated areas served by SiEnergy in North, Central and South Texas. The intent of 16 Tex. Admin. Code § 7.5530(e) is to allocate rate case expenses to the participating parties according to which party caused the expenses to be incurred; therefore, it is reasonable to seek recovery of rate case expenses from all customers who benefit from the settlement agreement in this case, which includes all customers within all incorporated and unincorporated areas served by SiEnergy in North, Central and South Texas. Recovery of these expenses is also necessary in the interest of justice.
 - b. Cities Litigation and Estimated expenses: Good cause exists to recover Cities' litigation and estimated expenses equally from all customers, including customers within all incorporated and unincorporated areas served by SiEnergy in North, Central and South Texas, because the Cities' participation in OS-23-00013504 resulted in this Unanimous Settlement Agreement, which benefits all such customers, and doing so is necessary in the interest of justice.
 - c. City of Princeton Litigation and Estimated expenses: Good cause exists to recover the City of Princeton's litigation and estimated expenses equally from all customers, including customers within all incorporated and unincorporated areas served by SiEnergy in North, Central and South Texas, because the City of Princeton's participation in OS-23-00013504 resulted in this Unanimous Settlement Agreement, which benefits all such customers, and doing so is necessary in the interest of justice.

21. SiEnergy shall file annually a rate case expense compliance filing with the Railroad Commission of Texas, Oversight and Safety Division, referencing OS-23-00013504. The report shall include the amount of rate case expense recovered by month and the outstanding balance by month as set out in Rate Schedules Rate RCE-I and RCE-U. The Signatories agree to and propose the inclusion of the following Findings of Fact and Ordering Paragraph in the Final Order in this docket:
- a. Finding of Fact: It is reasonable that SiEnergy, Cities and the City of Princeton submit to Commission Staff invoices reflecting actual rate case expenses with sufficient detail so that Commission Staff can accurately audit such invoices for the purposes of reconciling actual rate case expenses to estimated rate case expenses. In no case shall the total actual expenses exceed the actual expenses submitted to the Commission as of July 31, 2023, plus the approved estimated expenses, totaling \$650,039.41.
 - b. Finding of Fact: It is reasonable that SiEnergy file an annual Rate Case Expense Compliance Filing with Commission Staff detailing the balance of actual plus estimated rate case expenses at the beginning of the annual period, the amount collected by customer class, and the ending or remaining balance within ninety (90) days after each calendar year end.
 - c. Ordering Paragraph: IT IS FURTHER ORDERED that SiEnergy file an annual Rate Case Expense Compliance Filing with Commission Staff detailing recovery of rate case expenses as described in Finding of Fact No. __ within ninety (90) days after each calendar year end until the calendar year end in which the rate case expenses are fully recovered.
22. The Signatories agree to and propose the inclusion of the following Ordering Paragraphs in the Final Order in this docket:
- a. Ordering Paragraph: IT IS FURTHER ORDERED that within 30 days of this Final Order, in accordance with 16 Tex. Admin. Code § 7.315 (Filing of Tariffs), SiEnergy shall electronically file its rate schedules in proper form that accurately reflect the rates in Attachment 1 approved in this Final Order. The tariffs shall incorporate rates, rate design, and service charges consistent with this Order, as stated in the findings of fact and conclusions of law and shown on the attached Schedules.
 - b. Ordering Paragraph: IT IS FURTHER ORDERED that any incremental change in rates approved by this Final Order and implemented by SiEnergy shall be subject to refund unless and until SiEnergy's tariffs are electronically filed and accepted by the Gas Services Department in accordance with 16 Tex. Admin. Code § 7.315.
 - c. Ordering Paragraph: IT IS FURTHER ORDERED that when instituting initial rates that are different from rates approved by this Final Order, SiEnergy shall notify the regulatory authority with original jurisdiction over the rates and the Commission at least 60 days in advance of instituting initial rates.


23. The Signatories agree that SiEnergy has met the affiliate standard under Tex. Util. Code § 104.055 with respect to all affiliate charges and the affiliate expenses included in the Statement of Intent, which is \$4,069,501, are just and reasonable and should be recovered in rates.
24. The Signatories agree to the admission of the following items, including any confidential portions:
 - a. the Statement of Intent to Increase Gas Utility Rates Within the Unincorporated Areas Served by SiEnergy, LP in North, Central and South Texas, filed on May 5, 2023, inclusive of all attachments, direct testimony and exhibits;
 - b. the Petition for Review from the rate action of the City of Princeton and related motion for consolidation filed on June 20, 2023 in Case No. 00014351;
 - c. the Affidavit of Ken Lynch attesting to provision of notice to all customers of SiEnergy, filed on July 19, 2023; and
 - d. the Unanimous Settlement Agreement, including all exhibits.
25. The Signatories agree to support and seek Commission approval of this Unanimous Settlement Agreement. The Signatories further agree to make all efforts to present the Commission with this Unanimous Settlement Agreement at either the August 22 or September 19, 2023 Commission Open Meeting.
26. Except as may be allowed under Rule 408 of the Texas Rules of Evidence, the Signatories agree that all negotiations, discussions, and conferences related to the Unanimous Settlement Agreement are privileged and inadmissible to prove the validity or invalidity of any issue raised by or presented in this proceeding.
27. The Signatories agree that neither this Unanimous Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the Commission of an order approving this Unanimous Settlement Agreement.
28. The Signatories agree that the terms of the Unanimous Settlement Agreement are interdependent and indivisible, and that if the Commission intends to enter an order that is inconsistent with this Unanimous Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Unanimous Settlement Agreement or its subsequent withdrawal and further agrees that SiEnergy's application to increase rates will be remanded for hearings.
29. The Signatories agree that this Unanimous Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes. The matters resolved herein are resolved on the basis of a compromise and settlement. Except to the extent the Unanimous Settlement Agreement governs a Signatory's rights and

obligations for future periods, this Unanimous Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding. Each Signatory acknowledges that a Signatory's support of the matters contained in this Unanimous Settlement Agreement may differ from the position taken or testimony presented by it in other dockets or other jurisdictions. To the extent that there is a difference, a Signatory does not waive its position in any of those other dockets or jurisdictions. Because this is a stipulated resolution, no Signatory is under any obligation to take the same positions as set out in this Unanimous Settlement Agreement in other dockets or jurisdictions, regardless of whether other dockets present the same or a different set of circumstances, except as otherwise may be explicitly provided by this Unanimous Settlement Agreement. Agreement by the Signatories to any provision in this Unanimous Settlement Agreement will not be used against any Signatory in any future proceeding with respect to different positions that may be taken by that Signatory.

30. The provisions of this Unanimous Settlement Agreement are intended to relate to only the specific matters referred to herein. By agreeing to this Unanimous Settlement Agreement, no Signatory waives any claim it may otherwise have with respect to issues not expressly provided for herein. The Signatories further understand and agree that this Unanimous Settlement Agreement represents a negotiated settlement of all issues in this proceeding.
31. The Signatories agree that this Unanimous Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 9th day of August 2023.

SIENERGY, LP

By: 
Ann M. Coffin
Attorney for SiEnergy, LP

CITIES SERVED BY SIENERGY

By: /s/Jamie L. Mauldin w/permission CGA
Jamie L. Mauldin
Attorney for Cities Served by SiEnergy

CITY OF PRINCETON

By: /s/Alfred R. Herrera w/permission CGA
Alfred R. Herrera
Attorney for City of Princeton

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: /s/Natalie Dubiel w/permission CGA
Natalie Dubiel
Attorney for Staff of the Railroad Commission of Texas

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

**Rate Schedule DEF-I
Cities and Counties Served by SiEnergy, LP**

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

Page 1 of 4

The following municipalities are served by SiEnergy LP (“SiEnergy”):

Municipalities

1. Austin
2. Celina
3. Conroe
4. Fate
5. Forney
6. Fort Worth
7. Fulshear
8. Grand Prairie*
9. Houston
10. Manor
11. Mansfield
12. Missouri City
13. Princeton
14. Sugar Land
15. Waxahachie*

*SiEnergy does not currently serve customers in the municipalities of Grand Prairie and Waxahachie, but may by the time that new rates are established in Docket No. OS-23-00013504.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule DEF-I

DEFINITIONS

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

Page 2 of 4

“Applicant” means any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

“Btu” means British thermal unit(s) and will be calculated on a temperature base of sixty degrees (60°) Fahrenheit and at the standard pressure base of the applicable service area and on a gross-real-dry basis and will not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and *“MMBtu”* will mean one million (1,000,000) Btu.

“Ccf and Mcf” means for *“Ccf,”* one hundred (100) Standard Cubic Feet of Gas, where one Standard Cubic Foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for *“Mcf,”* one thousand (1,000) Standard Cubic Feet of Gas.

“Commission or The Commission” means the Railroad Commission of Texas.

“Commodity Cost of Gas” means the portion of the cost of gas service recovered by the Company through any Gas Cost Recovery Adjustment Rate Schedule.

“Company” means SiEnergy, LP, its successors, and its assigns.

“Consumer” means any person or organization receiving gas service from the Company for his or her own appliances or equipment whether or not the gas is billed directly to him or her. (For example, a rental unit where the utilities are part of the rent, the landlord is a Customer and the tenant is a Consumer.)

“Customer” means any person or organization being billed for gas service whether used by him or her, or by others. Customer also means a Consumer that subscribes to natural gas services provided by SiEnergy.

“Consumption” means the volumes consumed by a Customer during a volumetric read period.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule DEF-I

DEFINITIONS

Applicable to: All incorporated areas served by SiEnergy, LP

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“Expedited Service” means a Customer request for same day or other acceleration of service relative to the Company’s standard scheduling process.

“Gas or Natural Gas” means the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof.

“General Gas Service” means all service other than Residential Gas Service and that includes purchase of the Commodity Cost of Gas from the Company. General Gas Service Consumers include commercial Consumers engaged in the sale or furnishing of goods and services; industrial Consumers engaged primarily in processes that change raw or unfinished materials into another form of product; public authorities, including all governmental agencies and authorities; schools whether public or privately held; and, Consumers utilizing gas for any other purpose not otherwise provided for herein.

“General Service Customer” means any person, individual, family, partnership, association, joint venture, corporation, etc., or governmental agency or organization being billed for General Gas Service. A General Service Customer also includes any Consumer that subscribes to natural gas services provided by SiEnergy for purposes of General Gas Service.

“Month” means the period beginning at 9:00 a.m. Central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month.

“Overtime Fee” means the fee charged by the Company to perform work outside its normal business hours or on holidays and includes changes to previously scheduled work that must be performed outside Company’s normal business hours.

“Rate Schedule” means a statement of the method of determining charges for gas service, including the conditions under which such method applies.

“Regulatory Authority” means the City Council or equivalent municipal governing body of each respective city in the Company’s Service Area, or the Railroad Commission of Texas, as applicable.

**RATE SCHEDULE FOR GAS SERVICE
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Rate Schedule DEF-I

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“Residential Gas Service” means gas service used directly for domestic purposes including heating, air conditioning, cooking, water heating, pool water heating and other similar purposes, whether in a single dwelling, in a dwelling unit of a multiple dwelling facility, in a residential apartment unit, in a condominium unit, in a dwelling unit that is operated by a public housing agency acting as an administrator of public housing under the direction of the U.S. Department of Housing and Urban Development, or in other similar individual dwelling units.

“Residential Customer” means any person, individual, family, partnership, association, joint venture, corporation, etc., or governmental agency or organization being billed for *Residential Gas Service* that is individually metered at the point of delivery, whether such service is used by that Customer or by others. A *Residential Customer* also includes any *Consumer* that subscribes to natural gas services provided by SiEnergy for purposes of *Residential Gas Service*.

“Service Area” means the area receiving gas utility service provided by the Company under the terms of this Rate Schedule.

“Special Rate Schedule” means a rate schedule designed for a specific Customer.

“System” means any group of interconnected pipelines and appurtenances owned or operated by the Company and independent from any other such group of facilities.

“Tariff” means every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over the Company or the services provided hereunder.

“Temporary” means any service that will not be utilized continuously at the same location by the same Customer.

“Year” means a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule M-I

RATE M-I – MISCELLANEOUS FEES AND DEPOSITS

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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Application of Schedule

The fees and deposits listed shall be assessed in addition to any other charges applicable under the Company's Rate Schedule for Gas Service and will be applied for the conditions and services described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost, plus appropriate surcharges.

Missed Appointments

If a Customer makes an appointment with the Company for the provision of any of the following services, but fails to appear, the applicable fee will be assessed for the missed appointment(s) as well as being assessed when the service is ultimately provided.

Number	Name and Description	Amount
M.1	Connection/Reconnection Charge During Business Hours During standard business hours, 8:00 a.m.-5:00 p.m. Monday through Friday, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: <ul style="list-style-type: none">• For a builder who uses gas temporarily during construction or for display purposes;• Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or• For any reason deemed necessary for Company operations.	\$ 65.00
M.2	Connection/Reconnection Charge After Business Hours After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: <ul style="list-style-type: none">• For a builder who uses gas temporarily during construction or for display purposes;• Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or• For any reason deemed necessary for Company operations.	\$ 97.00

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule M-I

RATE M-I – MISCELLANEOUS FEES AND DEPOSITS

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Number	Name and Description	Amount
M.3	Field Read of Meter Charge to an existing Customer for the Company to read the meter at a currently served location at the request of the existing Customer for any purpose other than connection or reconnection of service by that Customer. For charges to a Customer to initiate or reconnect service, refer to Service Charge 1–Connection/Reconnection and Service Charge 2–Connection /Reconnection After Business Hours.	\$ 60.00
M.4	Returned Check Charges Returned check handling charge for each check returned to Company for any reason.	\$ 35.00
M.5	Temporary Discontinuance of Service Whenever service has been temporarily disconnected at the request of the Customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that Customer at the same address.	\$ 65.00
M.6	Meter Testing The Company shall, upon request of a Customer, make a test of the accuracy of the meter serving that Customer. The Company shall inform the Customer of the time and place of the test and permit the Customer or his authorized representative to be present if the Customer so desires. If no such test has been performed within the previous four (4) years for the same Customer at the same location, the test shall be performed without charge. If such test has been performed for the same Customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The Customer must be properly informed of the result of any test on a meter that services him.	\$ 190.00
M.7	Charge for Service Calls During Business Hours A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a Customer related problem rather than a Company or Company facilities problem.	\$ 60.00
M.8	Charge for Service Calls After Business Hours A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a Customer related problem rather than a Company or Company facilities problem.	\$ 90.00

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule M-I

RATE M-I – MISCELLANEOUS FEES AND DEPOSITS

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Number	Name and Description	Amount
M.9	Tampering Charge No Company Meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with Company metering facilities or a theft of gas service by a person on the Customer's premises or evidence by whomsoever at Customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations.	\$ 125.00
M.10	Credit/Debit Card Payments Charge Bill payments using credit cards, debit cards, and electronic checks (includes third-party transaction fees and administrative costs).	Actual Cost
M.11	Pool or Upgraded Meter Installation Charge Fee to install meter and regulators to support higher or multiple pressure requirements on a residential service line.	\$ 280.00
M.12	Expedited Service and Overtime Fee A Customer's request for expedited service may be scheduled at any time to fit the Company's work schedule, and an Expedited Service charge will be collected. The Company will not be obligated to provide Expedited Service when the personnel and resources to do so are not reasonably available. This Fee represents the minimum charge for Expedited Service. For Expedited Service requiring more than one hour to perform, the Fee will represent a rate per hour of time multiplied by the total time required to perform the requested Expedited Service, incremented in 15-minute intervals. This fee will be charged in addition to any other applicable fees.	\$ 95.00
M.13	History Research Fee A fee will be charged for services related to account history research and/or provision of Customer accounting/billing history documentation.	\$ 30.00
M.14	No Access Fee A fee will be charged to a Customer who, through padlocks, fencing, animals or other means, prevents access to the Company's meter or other equipment located on the Customer's premise.	\$ 35.00
M.15	Police Escort Fee A fee will be charged for the Company to access a meter when the Company is required to use law enforcement personnel to escort it into locked sites or sites requiring animal control. The Company will charge the stated amounts or current rate charged by the entity providing the police escort for this service.	Actual Cost

**RATE SCHEDULE FOR GAS SERVICE
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Number	Name and Description	Amount
M.16	Costs Associated with Certain Stand-By Gas Generators Customers installing stand-by gas generators to provide service in the event of an interruption in electric service in facilities where gas service is not otherwise adequate to operate the stand-by gas generators will reimburse the Company for the actual cost of acquiring and installing the additional and/or upgraded regulator, service line, and meter required to provide gas service for the stand-by generators. The subsequent gas service provided for the stand-by generators will be billed at the rate applicable for other gas service to the class of Customer making the request.	Actual Cost
M.17	Line Extensions The Company has the right to contract with individual Customers for the installation of gas facilities. Upon the request of a prospective new Customer for service in an area served by SiEnergy, LP, will extend its main lines up to 100 feet from an existing SiEnergy, LP main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single Customer or to a group of Customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the actual cost of any additional mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension, including applicable overhead charges. SiEnergy, LP is not required to extend its mains or facilities if the Customer will not use gas for space heating and water heating, or the equivalent load, at a minimum.	Actual Cost
M.18	Customer Deposits Minimum deposit Residential Gas Service Minimum deposit General Gas Service Additional deposits may be required in accordance with Rate Schedule QSR-I – Quality of Service Rules	\$ 75.00 \$ 250.00

Taxes and Franchise Fees (Rate Schedule TFF-I)

Other than with respect to M.18 – Customer Deposits, the amounts charged under Rate M-I are subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF-I – Taxes and Franchise Fees.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule RS-I

RATE RS-I – RESIDENTIAL SALES

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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Application of Schedule

This Schedule is applicable to all Customers meeting the definition of “Residential Customers” under Rate Schedule DEF-I – Definitions.

Monthly Base Rate

Each Customer’s base monthly bill will be calculated using the following Customer and Ccf charges:

<u>Charge</u>	<u>Amount</u>
Customer Charge	\$19.25 per month, plus
All Ccf @	\$0.6511 per Ccf

In addition to the base monthly bill calculated using the Monthly Base Rates above, each Customer’s monthly bill shall be increased by amounts pursuant to the following:

Gas Cost Recovery Adjustment (Rate Schedule GCRA)

Amounts billed for the commodity cost of gas in accordance with the provisions of Rate Schedule GCRA – Gas Cost Recovery Adjustment.

Weather Normalization Adjustment (Rate Schedule WNA)

Amounts billed to eliminate the effect of non-normal weather in accordance with the provisions of Rate Schedule WNA – Weather Normalization Adjustment.

Rate Case Expense Recovery (Rate Schedule RCE-I)

Amounts billed for the recovery of rate case expenses in accordance with the provisions of Rate Schedule RCE-I – Rate Case Expense.

Surcharges (Rate Schedule SUR)

All applicable surcharges in accordance with the provisions of Rate Schedule SUR-Rider.

Taxes and Franchise Fees (Rate Schedule TFF-I)

All applicable taxes and fees in accordance with the provisions of Rate Schedule TFF-I – Taxes and Franchise Fees, including fees pertaining to the Monthly Base Rate bill, GCRA charges, WNA charges, RCE-I charges, and any other charge that is subject to taxes and fees described therein.

Other Conditions and Surcharges

Subject in all respects to applicable laws, rules and regulations from time to time in effect. In addition to the monthly charges above, each Customer’s bill will include amounts required to be billed in accordance with any additional applicable rates, riders, surcharges or fees.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule GSS-I

RATE GSS-I - GENERAL SERVICE SMALL

Applicable to: All incorporated areas served by SiEnergy, LP

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Application of Schedule

This Schedule is applicable to all Customers meeting the definition of “General Service Customers” under Rate Schedule DEF-I – Definitions (i.e., non-Residential Customers) whose annual usage is 30,000 Ccf or less.

Monthly Base Rate

Each Customer’s base monthly bill will be calculated using the following Customer and Ccf charges:

<u>Charge</u>	<u>Amount</u>
Customer Charge	\$42.50 per month, plus
All Ccf @	\$0.6958 per Ccf

In addition to the base monthly bill calculated using the Monthly Base Rates above, each Customer’s monthly bill shall be increased by amounts pursuant to the following:

Gas Cost Recovery Adjustment (Rate Schedule GCRA)

Amounts billed for the commodity cost of gas in accordance with the provisions of Rate Schedule GCRA – Gas Cost Recovery Adjustment.

Rate Case Expense Recovery (Rate Schedule RCE-I)

Amounts billed for the recovery of rate case expenses in accordance with the provisions of Rate Schedule RCE-I – Rate Case Expense.

Surcharges (Rate Schedule SUR)

All applicable surcharges in accordance with the provisions of Rate Schedule SUR-Rider.

Taxes and Franchise Fees (Rate Schedule TFF-I)

All applicable taxes and fees in accordance with the provisions of Rate Schedule TFF-I – Taxes and Franchise Fees, including fees pertaining to the Monthly Base Rate bill, GCRA charges, WNA charges, RCE-I charges, and any other charge that is subject to taxes and fees described therein.

Other Conditions and Surcharges

Subject in all respects to applicable laws, rules and regulations from time to time in effect. In addition to the monthly charges above, each Customer’s bill will include amounts required to be billed in accordance with any additional applicable rates, riders, surcharges or fees.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule GCRA

RATE GCRA – GAS COST RECOVERY ADJUSTMENT

Applicable to: All incorporated and unincorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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Application of Schedule

This clause shall apply to all SiEnergy gas rate schedules that incorporate this Rate GCRA - Gas Cost Recovery Adjustment rate schedule provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Purpose and Intent

This provision is intended to allow collection of the gas purchase costs of SiEnergy, LP, (hereinafter “SiEnergy” or the “Company”) in a manner that will lessen monthly fluctuations in the Gas Cost Recovery Adjustment and ensure that actual costs billed to Customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted-for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent billing methods fail to achieve these goals, the GCRA methodology shall be revised and a revised rate schedule shall be filed to reflect such revisions. SiEnergy will make appropriate regulatory filings and obtain regulatory approvals, as required, before making and implementing changes to its GCRA rate schedule.

Definitions

Standard Cubic Foot of Gas – the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf – one hundred standard cubic feet of gas.

Mcf – one thousand standard cubic feet of gas.

Purchased Gas Volumes - The volumes of gas, expressed in Mcfs, purchased by the Company and received into the Company’s distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s) - The total cost of Purchased Gas Volumes, as received into the Company’s distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas - The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule GCRA

RATE GCRA – GAS COST RECOVERY ADJUSTMENT

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Billed Gas Volumes - The volumes of gas billed to Customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcfs.

Billed Gas Revenues - The total amount of revenues attributable to billings by SiEnergy for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Adjustment during the same period.

Lost and Unaccounted-for Gas (LUG) - Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Gas Cost Recovery Adjustment (GCRA) - An Adjustment on each Customer's monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Adjustment, all as more specifically described herein.

Annual Review Period - The 12-month period ending June 30 of each year.

Annual Review - An annual review of the Company's records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total - The total amount determined through the Annual Review to be credited or surcharged to Customers' bills in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Adjustment - A credit or surcharge included in the Gas Cost Recovery Adjustment to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments relative to any imbalances for a period of ten (10) years or until the resolution of a subsequent Statement of Intent. The records shall include date, quantity, and cost details for all gas handled.

Gas Cost Recovery Adjustment Calculation

The Gas Cost Recovery Adjustment shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule GCRA

RATE GCRA – GAS COST RECOVERY ADJUSTMENT

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Gas Cost Recovery Adjustment Calculation (continued)

The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by SiEnergy, pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand). The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

Each Customer bill shall include a Gas Cost Recovery Adjustment reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Adjustment to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged to the Customers' bills over a twelve-month period commencing each September 1 following the Annual Review Period.

Accrual Imbalance Total - LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Accrual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule GCRA

RATE GCRA – GAS COST RECOVERY ADJUSTMENT

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Annual Imbalance Total - LUG Volume is positive and is greater than five percent of Purchased Gas Volumes

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

- (1) The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined.
- (2) Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Adjustment Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month. The recovery shall be through a Reconciliation Adjustment included in the Purchased Gas Adjustment. The Reconciliation Adjustment for each month shall be determined as follows:

- (1) Each month of the twelve-month reconciliation period, the Reconciliation Adjustment, expressed in Ccfs, shall be calculated by dividing the amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.
- (2) At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 -month period.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule GCRA

RATE GCRA – GAS COST RECOVERY ADJUSTMENT

Applicable to: All incorporated and unincorporated areas served by SiEnergy, LP

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Annual Reconciliation Report

The Company shall file an Annual Reconciliation Report with the Regulatory Authority, which shall include but not necessarily be limited to:

- (1) A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
- (2) A tabulation of gas units sold to general service customers and related Cost of Gas Clause revenues.
- (3) A description of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date.
- (4) A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.

The Company shall file the Annual Reconciliation Report with the Commission addressed to the Director of Oversight and Safety Division and reference Docket No. OS-23-00013504. The Report shall detail the monthly collections for the GCRA surcharge by customer class and show the accumulative balance.

Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing
Oversight and Safety Division
Gas Services Dept.
Railroad Commission of Texas
P.O. Drawer 12967
Austin, TX 78711-2967

Taxes and Franchise Fees (Rate Schedule TFF-I)

Subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF-I – Taxes and Franchise Fees.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule CRR

RATE CRR - CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to: All incorporated and unincorporated areas served by SiEnergy, LP

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Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

A. ABBREVIATIONS AND DEFINITIONS

- 1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.
- 2) Bonds or Customer Rate Relief ("CRR") Bonds - The "Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023" and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.
- 3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.
- 4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).
- 5) Commission - The Railroad Commission of Texas, including its staff or delegate.
- 6) CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).
- 7) CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.

**RATE SCHEDULE FOR GAS SERVICE
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Rate Schedule CRR

RATE CRR - CUSTOMER RATE RELIEF RATE SCHEDULE

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- 8) CRR Scheduled Adjustment Date – January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date of the Bonds so as to reflect the terms of the Servicing Agreement.
- 9) Customer Rate Relief (“CRR”) Charge - A nonbypassable charge as defined in Tex. Util. Code § 104.362(7).
- 10) Financing Order - The order adopted under Tex. Util. Code § 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.
- 11) Gas Utility – SiEnergy, LP (“SiEnergy”) and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commission’s jurisdiction under Tex. Util. Code § 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.
- 12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code § 104.362(8) and the CRR Charges authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.
- 13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Gov’t Code § 1232.1072.
- 14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex, and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule CRR

RATE CRR - CUSTOMER RATE RELIEF RATE SCHEDULE

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Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Sales Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effect beginning on January 1 of the following calendar year.

15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes

- a) for Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.
- b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21- 00007061, *Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm*. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule CRR

RATE CRR - CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to: All incorporated and unincorporated areas served by SiEnergy, LP

Effective Date: March 24, 2023

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- 17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin' M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas Inc.¹, Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).
- 18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

B. APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected from all Sales Customers served by SiEnergy under the terms of the Financing Order. Each individual Sales Customer is responsible for paying the CRR Charge billed to it in accordance with the terms of this rate schedule. Payment is to be made by an individual Sales Customer to the Participating Gas Utility of which it is a customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

C. TERM

This rate schedule shall remain in effect until the CRR Charges have been collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

D. SALES CUSTOMERS

For the purposes of billing the CRR Charges, all Sales Customers of SiEnergy shall be assessed the uniform volumetric charge identified below.

¹ Summit Utilities Arkansas, Inc. is the Successor Utility of CenterPoint Energy Arkla as of January 10, 2022.

**RATE SCHEDULE FOR GAS SERVICE
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Rate Schedule CRR

RATE CRR - CUSTOMER RATE RELIEF RATE SCHEDULE

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E. CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$0/Ccf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in all Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities' applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

F. DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes
(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)
(B) Assumed % of uncollectible sales
(C) Total Normalized Sales Volumes Billed and Collected: (A * (1 - B))

For the avoidance of doubt, Normalized Sales Volumes are assumed to be calculated without giving effect to volumes anticipated from Participating Gas Utilities making up less than two percent (2.0%) of the total Normalized Sales Volumes of all Participating Gas Utilities.

Step 2: Determination of CRR Charge
(D) Total CRR Charge Rate Revenue Requirement for Applicable Period
(E) CRR Charge per Normalized Sales Volumes (Mcf): (D / C)
<i>Thereof: CRR Charge for Sales Customers</i>

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule CRR

RATE CRR - CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to: All incorporated and unincorporated areas served by SiEnergy, LP

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G. CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

H. CRR CHARGE TRUE-UP PROCEDURE

SiEnergy shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If SiEnergy is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commission's review and

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule CRR

RATE CRR - CUSTOMER RATE RELIEF RATE SCHEDULE

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approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over- collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. SiEnergy shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

I. TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code § 171.1011.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule WNA

RATE WNA – WEATHER NORMALIZATION ADJUSTMENT

Applicable to: All Residential Customers served within all incorporated and unincorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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Application of Schedule

This Rate Schedule shall apply to all residential customers located within all incorporated areas served by SiEnergy, LP.

Purpose and Intent

This provision provides for the refund or surcharge to residential Customers of over or under collections of revenue due to colder or warmer than normal weather as established in the Company's most recent rate case that established the Rate Schedules applicable to the Customers.

Monthly calculation

In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment ("WNA") shall be calculated separately for each billing cycle and rate schedule. The weather factors, determined in the most recent rate case, identify the value per Ccf of one heating degree day for Residential Customers. During each billing cycle, the applicable Weather Factor is multiplied by the difference between normal and actual heating degree days for the billing period, and by the number of Customers billed to yield the total WNA Ccf Adjustment. The resulting WNA Ccf Adjustment is then multiplied by the current applicable Base Rate per Ccf to determine the total WNA revenue adjustment. The WNA revenue adjustment is then spread to the Customers in the billing cycle on a prorated basis.

The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$\text{WNA Rate} = (\text{WND} + \text{RC}) / \text{CMV}$$

$$\text{WND} = [(\text{HDD}_n - \text{HDD}_a) * \text{WF}_a] * \text{VR}$$

Definitions

WND - Weather Normalized Dollars to be collected each month as calculated by billing cycle route.

CMV - Current Month Volumes billed for each billing cycle route.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule WNA

RATE WNA – WEATHER NORMALIZATION ADJUSTMENT

Applicable to: All Residential Customers served within all incorporated and unincorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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HDD_n - Monthly Normal heating degree days for each billing cycle route. Monthly Normal heating degree days are defined as the sum of the daily normal heating degree days applicable to each billing cycle route each month. Normal daily HDD are defined as the normal daily HDD used in Case No. 00013504 to calculate normalized revenue.

HDD_a - Actual heating degree days for each billing cycle route. Monthly actual heating degree days are defined as the sum of the actual daily heating degree days applicable to each billing cycle route each month, as measured at the same weather stations used to calculate comparable HDD_n

VR - Volumetric cost of service rate for the applicable customer class.

RC – The monthly WNA Reconciliation Component, by billing cycle route, calculated pursuant to the annual compliance filing.

WF_a – Weather Factors by Area - as calculated in Docket No. OS-23-00013504 and reflected in the table below:

Weather Factors by Area

Customer Rate Schedule	Weather Period for WNA Calculation	Weather Factor CCF per HDD
South Texas - Houston Intercontinental Airport		
5-RSI Residential Incorporated	October – April	.231559
5-RSU Residential Unincorporated	October – April	.231559
Central Texas – Austin Bergstrom International Airport		
5-RSI Residential Incorporated	October – April	.125491
5-RSU Residential Unincorporated	October – April	.125491
North Texas – Dallas-Fort Worth Airport		
5-RSI Residential Incorporated	October – April	.108140
5-RSU Residential Unincorporated	October – April	.108140

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule WNA

RATE WNA – WEATHER NORMALIZATION ADJUSTMENT

Applicable to: All Residential Customers served within all incorporated and unincorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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Monthly Report

By the 25th day of the following month, the Company will file with the applicable Regulatory Authority a monthly report showing the current rate adjustments applicable to each rate schedule. Supporting documentation will be made available for review upon request.

Taxes and Franchise Fees (Rate Schedule TFF-I)

Subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF-I – Taxes and Franchise Fees.

Compliance

The Company shall file a reconciliation report on or before October 1st of each year. The Company shall file the report with the Commission addressed to the Director of Oversight and Safety Division and referencing Docket No. OS-23-00013504. The report shall be in Excel and shall show how the company calculated the WNA factor during the preceding winter season. If the report reflects either an over recovery or under recovery of revenues in any rate class, such amount if any, shall be prorated to each billing cycle route based on the volumes of each billing cycle route during the preceding winter season and divided by 7 (the number of months in the WNA season).

Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing
Oversight and Safety Division
Gas Services Dept.
Railroad Commission of Texas
P.O. Drawer 12967
Austin, TX 78711-2967

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule RCE-I

RATE RCE-I – RATE CASE EXPENSES

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

Page 1 of 1

Application of Schedule

Applicable to all Customers as determined by the Commission in Docket No. OS-23-00013504.

Monthly RCE-I Rate

All Ccf during each billing period \$0.XXXX per Ccf

This schedule is for the recovery of rate case expenses and shall be in effect beginning on _____, 2023, for an approximate thirty-six (36) month period or until all approved expenses are collected. SiEnergy will recover \$_____ in actual expenses and up to \$_____ in estimated expenses, not to exceed the total of final actual rate case expenses incurred.

The RCE-I will be billed as a separate line item on the Customer's bill.

Taxes and Franchise Fees (Rate Schedule TFF-I)

Subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF-I – Taxes and Franchise Fees.

Compliance

SiEnergy shall file an annual reconciliation report on or before April 1st of each year, commencing in 2024. The Company shall file the report with the Commission addressed to the Director of Oversight and Safety Division and reference Docket No. OS-23-00013504. The report shall detail the monthly collections for RCE-I surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing
Oversight and Safety Division
Gas Services Dept.
Railroad Commission of Texas
P.O. Drawer 12967
Austin, TX 78711-2967

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule PSF-I

RATE PSF-I – PIPELINE SAFETY FEE

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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Application of Schedule

Applicable to all Customers in all areas, except state agencies, as defined in Texas Utilities Code, Section 101.003.

Monthly calculation

The Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 Texas Administrative Code § 8.201.

Annual Compliance Report

The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety and regulatory program fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing Docket No. OS-23-00013504 and titling the report “Pipeline Safety Fee Recovery Report”. The report shall include the following:

- a) the pipeline safety fee-amount paid to the Commission;
- b) the unit rate and total amount of the surcharge billed to each customer;
- c) the date or dates the surcharge was billed to customers; and
- d) the total amount collected from customers from the surcharge.

The report should be filed electronically to the Commission at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing
Director of Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule TFF-I

RATE TFF-I – TAXES AND FRANCHISE FEES

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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Application of Schedule

This Rate Schedule shall apply to all SiEnergy Rate Schedules that incorporate this Rate TFF-I provision.

Taxes (Does Not Include City Franchise Fees)

In addition to the monthly charges billed to each Customer under each Rate Schedule applicable to that Customer, Customers shall reimburse the Company for their proportionate part of any tax, charge, impost, assessment or fee of whatever kind and by whatever name (except ad valorem taxes, payroll taxes, and income taxes) levied upon the Company by any governmental authority under any law, rule, regulation, ordinance, or agreement (hereinafter referred to as “the Taxes”). If the law, rule, regulation, ordinance, or agreement levying the Tax specifies a method of collection from Customers, then the method so specified shall be utilized provided such method results in the collection of the Taxes from the Customers equal to the Taxes levied on the Company. If no method of collection is specified, then the Company shall collect an amount calculated as a percentage of the Customers’ bills applicable directly to those Customers located solely within the jurisdiction imposing the Taxes and/or within the jurisdiction where the Taxes are applicable. The percentage shall be determined so that the collection from Customers within the Company’s different legal jurisdictions (municipal or otherwise defined) is equal to the Taxes levied on the Company after allowing for the Taxes applicable to those collections. The initial Tax Adjustment Rate shall be based on the Taxes that are levied upon the Company on the effective date of this Rate Schedule. The Company will initiate a new or changed Tax Adjustment Rate beginning with the billing cycle immediately following the effective date of the new or changed Tax as specified by the applicable law, rule, regulation, ordinance, or agreement, provided that the Company has the Customer billing data necessary to bill and collect the Tax. If at any time there is a significant change that will cause an unreasonable over- or under-collection of the Taxes, the Company will adjust the Tax Adjustment Rate so that such over- or under-collection will be minimized. The Tax Adjustment Rate (calculated on a per Ccf or per Mcf basis, as appropriate) shall be reported to the applicable governmental authority by the last business day of the month in which the Tax Adjustment Rate became effective.

City Franchise Fees

In addition to the monthly charges billed to each Customer under each Rate Schedule applicable to that Customer, and in addition to the Taxes billed to each Customer as defined above, the monthly bill for Customers who are located inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee upon Company for the Gas Service provided to Customer shall reimburse the Company for an amount equal to the municipal franchise fees payable for the Gas Service provided to the Customer by Company. Municipal franchise fees are determined by each municipality’s franchise ordinance. Each municipality’s franchise ordinance will specify the percentage and applicability of franchise fees. Customers located in unincorporated areas will not be assessed a City Franchise Fee.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule SUR – Rider

RATE SUR –SURCHARGE RIDER

Applicable to: All incorporated and unincorporated areas served by SiEnergy, LP

Effective Date: _____, ___, 2023

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Application of Schedule

Applicable to customer classes as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

Surcharges

(1) *Winter Storm Uri Regulatory Asset Recovery*

A monthly surcharge in the amount \$0.0073 per Ccf to be applied to all residential and general service small customer bills over a 72-month period, or until fully recovered, whichever occurs first.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule QSR-I

SCHEDULE QSR-I – QUALITY OF SERVICE RULES

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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Application of Schedule

Applicable to all Customer classes in all areas. At a minimum, SiEnergy shall adhere to the Quality of Service requirements in the Railroad Commission of Texas Substantive Rules, Section 7.45.

Texas Administrative Code
TITLE 16
ECONOMIC REGULATION
PART 1
RAILROAD COMMISSION OF TEXAS
CHAPTER 7
GAS SERVICES DIVISION
SUBCHAPTER B
SPECIAL PROCEDURAL RULES
RULE §7.45 Quality of Service

For gas utility service to residential and small commercial Customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial Customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.

(1) Continuity of service.

(A) Service interruptions.

(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of Customers are affected.

(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.

(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other Customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

**RATE SCHEDULE FOR GAS SERVICE
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Rate Schedule QSR-I

SCHEDULE QSR-I – QUALITY OF SERVICE RULES

Applicable to: All incorporated areas served by SiEnergy, LP

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(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of Customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.

(2) Customer relations.

(A) Information to Customers. Each utility shall:

- (i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;
- (ii) assist the Customer or applicant in selecting the most economical rate schedule;
- (iii) in compliance with applicable law or regulations, notify Customers affected by a change in rates or schedule or classification;
- (iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;
- (v) upon request inform its Customers as to the method of reading meters;
- (vi) provide to new Customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the Customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule QSR-I

SCHEDULE QSR-I – QUALITY OF SERVICE RULES

Applicable to: All incorporated areas served by SiEnergy, LP

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(I) the Customer's right to information concerning rates and services and the Customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules.

(II) the Customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the Customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the Customer's right to be instructed by the utility how to read his or her meter;

(vii) at least once each calendar year, notify Customers that information is available upon request, at no charge to the Customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial Customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. It shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the regulatory authority on behalf of a Customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all Customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

**RATE SCHEDULE FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule QSR-I

SCHEDULE QSR-I – QUALITY OF SERVICE RULES

Applicable to: All incorporated areas served by SiEnergy, LP

Effective Date: _____, 2023

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(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the Customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the Customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; Customer's ability to pay; Customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the Customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the Customer's signature and in bold-face print at least two sizes larger than any other used, that: "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement."

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a Customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a Customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

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SIENERGY, LP**

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(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential Customers and that suspends service before the 26th day after the date of the bill for which collection action is taken;

(II) utility bills issued on or after August 30, 1993; and

(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential Customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, §§101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its Customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

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(B) Applicant's recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient cause for refusal of service to a present Customer or applicant:

- (i) delinquency in payment for service by a previous occupant of the premises to be served;
- (ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
- (iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
- (iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the Customer has first been notified and been afforded reasonable opportunity to comply with these rules;
- (v) failure to pay a bill of another Customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
- (vi) failure to pay the bill of another Customer at the same address except where the change of Customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A Customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the Customer at least five working days prior to the stated date of disconnection, with the words "Termination Notice" or similar language prominently displayed on the notice.

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The notice shall be provided in English and Spanish as necessary to adequately inform the Customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

- (i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
- (ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation;
- (iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
- (iv) without notice where a known dangerous condition exists for as long as the condition exists;
- (v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- (iv) failure to pay the account of another Customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the Customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a Customer without written approval from the regulatory authority.

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(H) No utility may discontinue service to a delinquent residential Customer permanently residing in an individually metered dwelling unit when that Customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any Customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the Customer. The Customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the Customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

- (i) if the residential applicant has been a Customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;
- (ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or
- (iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a Customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

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(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, §71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its Customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the Customer shall be annually or at the time the deposit is returned or credited to the Customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the Customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

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(E) Records of deposits.

(i) The utility shall keep records to show:

- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the Customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the Customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the Customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the Customer in the form of cash or credit to a Customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all Customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or Customer. Each utility shall direct its personnel engaged in initial contact with an applicant or Customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the Customer, if dissatisfaction is expressed with the utility's decision, of the Customer's right to file a complaint with the regulatory authority thereon.

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(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

(B) The Customer's bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the Customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the Customer on request of the Customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the Customer must pay the bill to get prompt payment discount;
- (vii) the total amount due before and after any discount for prompt payment within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the Customer with a postcard and request that the Customer read the meter and return the card to the utility if the meter is of a type that can be read by the Customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

- (i) In the event of a dispute between the Customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the Customer. If the Customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the Customer of the complaint procedures of the appropriate regulatory authority.

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(ii) Notwithstanding any other subsection of this section, the Customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that Customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the Customer's average usage for the billing period shall be the average of the Customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar Customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

- (i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.
- (ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its Customers.
- (iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

- (i) Meter equipment records. Each utility must keep a record of all its meters, showing the Customer's address and date of the last test.
- (ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a Customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.
- (iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the Customer.

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(iv) Meter tests on request of Customer.

(I) Each utility must, upon request of a Customer, make a test of the accuracy of the meter serving that Customer. The utility must inform the Customer of the time and place of the test and permit the Customer or his authorized representative to be present if the Customer so desires. If no such test has been performed within the previous four years for the same Customer at the same location, the test is to be performed without charge. If such a test has been performed for the same Customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The Customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the Customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the Customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same Customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated Customers, when not available.

(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

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(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any Customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency

Governed by 16 Texas Administrative Code Section 7.460 which provides as follows:

TITLE 16 ECONOMIC REGULATION
PART 1 RAILROAD COMMISSION OF TEXAS
CHAPTER 7 GAS SERVICES
SUBCHAPTER DCUSTOMER SERVICE AND PROTECTION
RULE §7.460

(a) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, §101.003(7) and §121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, §§124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, §102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(b) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

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(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

2) a delinquent residential customer for a billing period in which the provider receives a written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or

(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(c) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in §7.45 of this title (relating to Quality of Service).

(d) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(e) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to §7.315 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

SiEnergy, LP
Depreciation Rates per Settlement Agreement

Line No.		Depreciation Rate	Note(s)
1	Intangible Plant		
2	(302) Franchises & Consents	7.86%	(1)
3	(303)-(307) Misc. Intangible	14.22%	(1)
4			
5	Distribution Plant		
6	(375) Structures & Improvements	2.48%	
7	(376) Mains	2.49%	
8	(378) Meas. & Reg. Station Other	3.36%	
9	(379) Meas. & Reg. Station City Gate	2.94%	
10	(380) Services	3.23%	
11	(381) Meters	4.29%	
12	(381.5) Meters - ERTS	5.69%	
13	(383) House Regulators	4.12%	
14	(387) Other Equipment	15.05%	
15	(387.5) Other Equipment - AMR	31.89%	
16	(387.7) Other Equipment - Scada	7.80%	
17			
18	General Plant		
19	(391.1) Office Furniture & Equipment	5.26%	
20	(391.3) Major Software Systems	10.00%	
21	(391.5) Other Computer HW/SW	25.00%	
22	(392) Transportation Equipment	7.47%	
23	(393) Stores Equipment	8.33%	
24	(394) Tools, Shop & Garage	10.00%	
25	(397) Communication Equipment	10.00%	
26	(398) Miscellaneous Equipment	10.00%	

Notes:

(1) Effective Rate Only. Depreciation/amortization expense is calculated on individual asset lives.



To: Mayor & City Council

From: Jon Thatcher, City Attorney

Date: August 21, 2023

Agenda Item & Caption: Consider an Ordinance establishing an ad valorem tax limitation for residential homestead property owners of the City of Fate who are disabled or 65 years of age or older pursuant to Article VIII, Section 1-b(h) of the Texas Constitution and Section 11.261 of the Texas Property Tax Code. (Senior or Disabled Tax Freeze)

Action Requested: Action on the proposed ordinance.

Party Responsible for Placing Item on the Agenda: Jon Thatcher, City Attorney

Overview and Background:

The Texas Constitution, Article VIII, Section 1-b(h) provides the authority of a city to adopt a tax limitation, also known as a tax freeze, for persons who are disabled or are sixty-five (65) years of age or older. In essence, if a tax limitation is adopted by the City Council, the City ad valorem taxes for persons who receive an additional homestead exemption because they are disabled or 65 years of age or older may not be increased while the property remains the residence homestead of that person or that person's spouse who is disabled or 65 years of age or older.

The City received an initiative petition from Patty Matlidge requiring the City to send a proposition to the voters at the next available election to determine whether to adopt a disabled and senior tax freeze in the City of Fate. The signatures were verified by the City Secretary's Office with the assistance of the Rockwall County Elections Office. The Texas Constitution requires, for such a petition to be valid, a total number of signatures equal to or more than 5% of the registered voters in the City. Based on the number of registered voters, a petition would need 648 valid signatures. On August 9, 2023, the City Secretary's Office certified that the petition contained at least 741 valid signatures.

The Council took action on August 14, 2023, to direct staff to prepare an ordinance to establish the tax limitation without the need to send the proposition to the voters. The proposed ordinance will establish the limitation effective in the 2023 tax year.

Supporting Documents:

- Ordinance

ORDINANCE NO. O-2023-

AN ORDINANCE OF THE CITY OF FATE, TEXAS ESTABLISHING AN AD VALOREM TAX LIMITATION FOR RESIDENTIAL HOMESTEAD PROPERTY OWNERS OF THE CITY OF FATE WHO ARE DISABLED OR 65 YEARS OF AGE OR OLDER; PROVIDING FOR DEFINITIONS; PROVIDING A SAVINGS AND A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article VIII, Section 1-b, Subsection (h) of the Texas Constitution allows municipalities and other certain taxing entities to establish an ad valorem tax limitation on residence homesteads of individuals who are disabled or who are sixty-five (65) years of age or older; and

WHEREAS, the Texas Property Tax Code, Section 11.261, governs the procedure under which a municipality or other taxing entity may adopt an ad valorem tax limitation; and

WHEREAS, the City Council for the City of Fate, Texas has investigated and determined that it would be in the interests of the City of Fate and its residents to provide for an ad valorem tax limitation on the amount of property taxes on the residence homesteads of who are disabled or who are 65 years of age or older, beginning with tax year 2023.

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

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Definitions.

“Disabled” has the same meaning as set forth in the Texas Property Tax Code, Section 11.13(m)(1), as it currently exists or as may be amended.

“Residence Homestead” has the same meaning as set forth in the Texas Property Tax Code, Section 11.13(j)(1), as it currently exists or as may be amended.

“Tax Code” means the Texas Property Tax Code, as it currently exists or as may be amended.

Section 3. Residence Homestead Tax Limitation for Disabled or Elderly Persons. There is hereby created and established a tax limitation on the amount of property taxes imposed by the City of Fate on the residence homesteads of individuals who are disabled or who are sixty-five (65) years of age or older that shall be governed by Section 11.261 of the Tax Code as follows:

- (a) The tax limitation shall become effective beginning with the 2023 tax year and shall remain for each consecutive tax year.

- (b) The total amount of ad valorem taxes imposed on the residence homesteads of a person who qualified that residence homestead for the exemption in accordance with the Tax Code as that of a person who is disabled or sixty-five years of age or older shall not be increased while it remains the residence homestead of that person or that person's spouse who is disabled or sixty-five years of age or older.
- (c) If the person who is disabled or sixty-five years of age or older dies in a year in which the person received a residence homestead exemption, the total amount of ad valorem taxes imposed on the residence homestead shall not be increased while it remains the homestead of that person's surviving spouse if:
 - (1) the surviving spouse is fifty-five (55) years of age or older at the time of the person's death;
 - (2) the residence homestead of the deceased person is also the residence homestead of the surviving spouse on the date of the person's death; and
 - (3) the residence homestead remains the residence homestead of the surviving spouse.
- (d) Notwithstanding anything contained herein, taxes on the homestead may be increased to the extent the value of the homestead is increased by improvements other than repairs and other improvements made to comply with governmental requirements.
- (e) A persons may not receive a tax limitation that is the subject matter of the Ordinance for more than one residence homestead, no matter where located, in the same year. A person may designate a new residence homestead within the City in accordance with the Tax Code.
- (f) The limitation on taxes provided by this Ordinance may expire in accordance with Section 11.261(d) of the Tax Code. If a tax limitation is erroneously allowed, back taxes may be assessed in accordance with Section 11.261(e) of the Tax Code.

Section 4. Severability. If any section, subsection, sentence, phrase, or word of this Ordinance be found illegal, invalid or unconstitutional, for any reason whatsoever, the adjudication shall not affect any other section, sentence, phrase, word, paragraph or provision of this Ordinance or the application of any other section, sentence, phrase, word, paragraph or provision of any other ordinance of the City; and to this end the provisions of this Ordinance are declared severable.

Section 5. Savings/Repealer. Every ordinance or parts of ordinances found to be in conflict herewith are hereby repealed.

Section 6. Effective Date. This Ordinance shall take effect immediately upon passage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Fate, Texas,
on this the 21st day of August 2023.

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Jon Thatcher, City Attorney



To: Honorable Mayor & City Council

From: Michael Kovacs, City Manager

Raju Anthony, Finance Director

Date: August 21, 2023

Agenda Item & Caption: Consider And Act On Approving The Williamsburg Public Improvement District No. 2 2023 Annual Service Plan Update Dated August 21, 2023, Including The Collection Of The Annual Installment Due January 31, 2024.

Action Requested: Approving the Williamsburg Public Improvement District No. 2 2023 Annual Service Plan Update dated August 21, 2023, including the collection of the Annual Installment due January 31, 2024.

Overview and Background:

Party(ies) responsible for placing this item on agenda: Michael Kovacs, City Manager.

The Public Improvement District Act, Texas Local Government Code, Chapter 372 authorizes the City Council to create a Public Improvement District within the City. Accordingly, the Williamsburg Public Improvement District No. 2 was created on October 15, 2012, by Resolution No. R-538. On November 19, 2012, the City Council approved Ordinance No. O-1218, which adopted the Service and Assessment Plan for the District.

The PID Act requires that the Service and Assessment Plan be reviewed and updated annually for the purpose of determining the annual budget for improvements, and to make any other needed modifications to the Service and Assessment Plan and/or the Assessments Rolls.

Financial Considerations: N/A

Supporting Documents:

- Ordinance with 2023 Annual Service Plan Update

CITY OF FATE

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF FATE APPROVING THE 2023 ANNUAL SERVICE PLAN UPDATE AND 2023 ASSESSMENT ROLL FOR PUBLIC IMPROVEMENTS FOR THE WILLIAMSBURG PUBLIC IMPROVEMENT DISTRICT NO. 2 IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Fate, Texas (the "City") is authorized under Chapter 372 of the Texas Local Government Code, as amended (the "Act"), to create a public improvement district within its corporate limits; and

WHEREAS, on October 15, 2012, the City Council passed and adopted Resolution No. R-538 which authorized the Williamsburg Public Improvement District No. 2 (the "District") in accordance with the City Council's findings as to the advisability of the public improvement projects described in the Petition and as to the advisability of creating the District; and

WHEREAS, on November 19, 2012, the City Council approved Ordinance No. O-1218, and the Service and Assessment Plan for the District, adopting an Assessment Roll; and

WHEREAS, pursuant to Section 371.013 of the Act, the Service and Assessment Plan must cover a period of at least five years and must also define the annual indebtedness and projected costs for improvements and such Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for improvements; and

WHEREAS, the City Council has received the "City of Fate, Texas, Williamsburg Public Improvement District No. 2 2023 Annual Service Plan Update" (the "2023 Annual Service Plan Update") which includes the updated Assessment Roll, and acts as the Annual Service Plan Update to the Service and Assessment Plan for 2023, and now desires to proceed with the adoption of this Ordinance which approves and adopts the 2023 Annual Service Plan Update and updated Assessment Roll for the District as required by the Act.

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

SECTION 1. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

SECTION 2. Terms not otherwise defined herein are defined in 2023 Annual Service Plan Update attached hereto as **Exhibit A**.

SECTION 3. The 2023 Annual Service Plan Update is hereby approved and accepted by the City Council.

SECTION 4. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion here, and all provisions of this Ordinance are declared to be severable for that purpose.

SECTION 5. The City Secretary is directed to cause a copy of this Ordinance, including the 2023 Annual Service Plan Update, to be recorded in the real property records of the County on or before August 28, 2023. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

SECTION 6. This Ordinance shall take effect from and after its final date of passage, and it is accordingly so ordered.

PASSED AND APPROVED by the City Council of the City of Fate, Texas, the 21st day of August, 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC, City Secretary

Exhibit A

2023 Annual Service Plan Update

[Remainder of page left intentionally blank.]



WILLIAMSBURG
PUBLIC IMPROVEMENT DISTRICT NO. 2
2023 ANNUAL SERVICE PLAN UPDATE

AUGUST 21, 2023

INTRODUCTION

Capitalized terms used in this Annual Service Plan Update shall have the meanings set forth in the Service and Assessment Plan (the “Original SAP”).

The District was created pursuant to the Act by Resolution No. R-538 on October 15, 2012 by the City Council to finance certain Authorized Improvements for the benefit of the property in the District.

On November 19, 2012, the City Council approved the Original SAP for the District by adopting an Ordinance No. O-1218, which approved the levy of Assessments for Assessed Property within the District and approved the Assessment Roll. The SAP identified the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements.

On September 2, 2014, the City Council approved the 2014 Annual Service Plan Update by adopting Resolution No. R-814, which updated the Assessment Roll for 2014.

On August 31, 2015, the City Council approved the 2015 Annual Service Plan Update by adopting Resolution No. R-993, which updated the Assessment Roll for 2015.

On August 15, 2016, the City Council approved the 2016 Annual Service Plan Update by adopting Resolution No. R-1211, which updated the Assessment Roll for 2016.

On September 18, 2017, the City Council approved the 2017 Annual Service Plan Update by adopting Resolution No. R-1492, which updated the Assessment Roll for 2017.

On September 4, 2018, the City Council approved the 2018 Annual Service Plan Update by adopting Resolution No. R-2018-069, which updated the Assessment Roll for 2018.

On July 16, 2019, the City Council approved the 2019 Annual Service Plan Update by adopting Resolution No. R-2019-033, which updated the Assessment Roll for 2019.

On July 6, 2020, the City Council approved the 2020 Annual Service Plan Update by adopting Resolution No. R-2020-046, which updated the Assessment Roll for 2020.

On July 6, 2021, the City Council approved the 2021 Annual Service Plan Update by adopting Ordinance No. O-2021-025, which updated the Assessment Roll for 2021.

On August 1, 2022, the City Council approved the 2022 Annual Service Plan Update by adopting Ordinance No. O-2022-022, which updated the Assessment Roll for 2022.

Pursuant to the Act, the SAP must be reviewed and updated annually. This document is the 2023 Annual Service Plan Update. This 2023 Annual Service Plan Update also updates the Assessment Roll for 2023.

PARCEL SUBDIVISION

Williamsburg Phase 1C, containing 84 Parcels, was approved by the City on September 24, 2012.

LOT AND HOME SALES

All 84 Phase 1C residential lots have been sold to end-users.

See **Exhibit C** for the buyer disclosure.

AUTHORIZED IMPROVEMENTS

The PID 2 Improvements are complete and have been accepted by the City.

OUTSTANDING ASSESSMENT

Phase 1C has an outstanding Assessment of \$975,000.00.

ANNUAL INSTALLMENT DUE 1/31/2024

- **Principal and Interest¹** – The total principal and interest required for the Annual Installment is \$80,687.50.
- **Collection Costs** – The cost of preparing the Annual Service Plan Update and administering Phase 1C. The total Collection Costs budgeted for the Annual Installment is \$15,200.00. A breakdown of the Collection Costs is shown below.

Collection Costs Breakdown	
Administration	\$ 6,000.00
Filing Fees	1,000.00
County Collection	200.00
Misc.	1,000.00
PID Trustees Fees	3,500.00
Dissemination Agent	3,500.00
Total Collection Costs	\$ 15,200.00

- **Administration Costs** – The actual or estimated costs paid or incurred in connection with the administration and operation of Phase 1C that are paid from the additional interest. The total Administration Costs budgeted for the Annual Installment is \$4,875.

Due January 31, 2024	
Principal	\$ 25,000.00
Interest	\$ 55,687.50
Collection Costs	\$ 15,200.00
Administration Costs	\$ 4,875.00
Total Annual Installment	\$ 100,762.50

See **Exhibit B** for the debt service schedule for the PID Bonds as shown in the official statement.

PREPAYMENT OF ASSESSMENTS IN FULL

No prepayments in full have occurred within the District.

PARTIAL PREPAYMENTS OF ASSESSMENTS

No partial prepayments have occurred within the District.

¹ The Annual Installment covers the period August 15, 2023 to August 14, 2024 and is due by January 31, 2024.

EXTRAORDINARY OPTIONAL REDEMPTIONS

No extraordinary optional redemptions have occurred within the District.

SERVICE PLAN - FIVE YEAR BUDGET FORECAST

The Act requires the annual indebtedness and projected costs for the Authorized Improvements to be reviewed and updated in the Annual Service Plan Update, and the projection shall cover a period of not less than five years. See below for the Service Plan for the District.

Annual Installment Due		1/31/2024	1/31/2025	1/31/2026	1/31/2027	1/31/2028
Principal		\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Interest		\$ 55,687.50	\$ 54,437.50	\$ 53,062.50	\$ 51,687.50	\$ 50,312.50
	(1)	\$ 80,687.50	\$ 79,437.50	\$ 78,062.50	\$ 76,687.50	\$ 75,312.50
Collection Costs	(2)	\$ 15,200.00	\$ 15,504.00	\$ 15,814.08	\$ 16,130.36	\$ 16,452.97
Administration Costs	(3)	\$ 4,875.00	\$ 4,750.00	\$ 4,625.00	\$ 4,500.00	\$ 4,375.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 100,762.50	\$ 99,691.50	\$ 98,501.58	\$ 97,317.86	\$ 96,140.47

ASSESSMENT ROLL

The list of current Lots within the District, the corresponding total Assessments, and current Annual Installment are shown on the Assessment Roll attached hereto as **Exhibit A**. The Parcel shown on the Assessment Roll will receive the bill for the 2023 Annual Installment which will be delinquent if not paid by January 31, 2024.

EXHIBIT A – ASSESSMENT ROLL

Property ID	Lot Class	Outstanding Assessment ^{[a],[b]}	Annual Installment Due 1/31/2024 ^{[a],[c]}
86495	Residential	\$ 11,607.14	\$ 1,199.55
86504	Residential	\$ 11,607.14	\$ 1,199.55
86505	Residential	\$ 11,607.14	\$ 1,199.55
86506	Residential	\$ 11,607.14	\$ 1,199.55
86507	Residential	\$ 11,607.14	\$ 1,199.55
86508	Residential	\$ 11,607.14	\$ 1,199.55
86509	Residential	\$ 11,607.14	\$ 1,199.55
86510	Residential	\$ 11,607.14	\$ 1,199.55
86511	Residential	\$ 11,607.14	\$ 1,199.55
86512	Residential	\$ 11,607.14	\$ 1,199.55
86513	Residential	\$ 11,607.14	\$ 1,199.55
86496	Residential	\$ 11,607.14	\$ 1,199.55
86514	Residential	\$ 11,607.14	\$ 1,199.55
86515	Residential	\$ 11,607.14	\$ 1,199.55
86516	Residential	\$ 11,607.14	\$ 1,199.55
86517	Residential	\$ 11,607.14	\$ 1,199.55
86497	Residential	\$ 11,607.14	\$ 1,199.55
86498	Residential	\$ 11,607.14	\$ 1,199.55
86499	Residential	\$ 11,607.14	\$ 1,199.55
86500	Residential	\$ 11,607.14	\$ 1,199.55
86501	Residential	\$ 11,607.14	\$ 1,199.55
86502	Residential	\$ 11,607.14	\$ 1,199.55
86503	Residential	\$ 11,607.14	\$ 1,199.55
86520	Residential	\$ 11,607.14	\$ 1,199.55
86529	Residential	\$ 11,607.14	\$ 1,199.55
86530	Residential	\$ 11,607.14	\$ 1,199.55
86531	Residential	\$ 11,607.14	\$ 1,199.55
86532	Residential	\$ 11,607.14	\$ 1,199.55
86533	Residential	\$ 11,607.14	\$ 1,199.55
86534	Residential	\$ 11,607.14	\$ 1,199.55
86535	Residential	\$ 11,607.14	\$ 1,199.55
86536	Residential	\$ 11,607.14	\$ 1,199.55
86537	Residential	\$ 11,607.14	\$ 1,199.55
86521	Residential	\$ 11,607.14	\$ 1,199.55
86522	Residential	\$ 11,607.14	\$ 1,199.55
86523	Residential	\$ 11,607.14	\$ 1,199.55
86524	Residential	\$ 11,607.14	\$ 1,199.55
86525	Residential	\$ 11,607.14	\$ 1,199.55
86526	Residential	\$ 11,607.14	\$ 1,199.55
86527	Residential	\$ 11,607.14	\$ 1,199.55

Property ID	Lot Class	Outstanding Assessment ^{[a],[b]}	Annual Installment Due 1/31/2024 ^{[a],[c]}
86528	Residential	\$ 11,607.14	\$ 1,199.55
86538	Residential	\$ 11,607.14	\$ 1,199.55
86547	Residential	\$ 11,607.14	\$ 1,199.55
86548	Residential	\$ 11,607.14	\$ 1,199.55
86549	Residential	\$ 11,607.14	\$ 1,199.55
86550	Residential	\$ 11,607.14	\$ 1,199.55
86551	Residential	\$ 11,607.14	\$ 1,199.55
86552	Residential	\$ 11,607.14	\$ 1,199.55
86553	Residential	\$ 11,607.14	\$ 1,199.55
86554	Residential	\$ 11,607.14	\$ 1,199.55
86555	Residential	\$ 11,607.14	\$ 1,199.55
86556	Residential	\$ 11,607.14	\$ 1,199.55
86581	Residential	\$ 11,607.14	\$ 1,199.55
86539	Residential	\$ 11,607.14	\$ 1,199.55
88124	Residential	\$ 11,607.14	\$ 1,199.55
86558	Residential	\$ 11,607.14	\$ 1,199.55
86559	Residential	\$ 11,607.14	\$ 1,199.55
86560	Residential	\$ 11,607.14	\$ 1,199.55
86561	Residential	\$ 11,607.14	\$ 1,199.55
86562	Residential	\$ 11,607.14	\$ 1,199.55
86563	Residential	\$ 11,607.14	\$ 1,199.55
86564	Residential	\$ 11,607.14	\$ 1,199.55
86565	Residential	\$ 11,607.14	\$ 1,199.55
86566	Residential	\$ 11,607.14	\$ 1,199.55
86540	Residential	\$ 11,607.14	\$ 1,199.55
86567	Residential	\$ 11,607.14	\$ 1,199.55
86568	Residential	\$ 11,607.14	\$ 1,199.55
86569	Residential	\$ 11,607.14	\$ 1,199.55
86570	Residential	\$ 11,607.14	\$ 1,199.55
86571	Residential	\$ 11,607.14	\$ 1,199.55
86572	Residential	\$ 11,607.14	\$ 1,199.55
86573	Residential	\$ 11,607.14	\$ 1,199.55
86574	Residential	\$ 11,607.14	\$ 1,199.55
86575	Residential	\$ 11,607.14	\$ 1,199.55
86576	Residential	\$ 11,607.14	\$ 1,199.55
86541	Residential	\$ 11,607.14	\$ 1,199.55
86577	Residential	\$ 11,607.14	\$ 1,199.55
86578	Residential	\$ 11,607.14	\$ 1,199.55
86579	Residential	\$ 11,607.14	\$ 1,199.55
86580	Residential	\$ 11,607.14	\$ 1,199.55

Property ID	Lot Class	Outstanding Assessment ^{[a],[b]}	Annual Installment Due 1/31/2024 ^{[a],[c]}
86542	Residential	\$ 11,607.14	\$ 1,199.55
86543	Residential	\$ 11,607.14	\$ 1,199.55
86544	Residential	\$ 11,607.14	\$ 1,199.55
86545	Non-Benefited Property	\$ -	\$ -
86546	Non-Benefited Property	\$ -	\$ -
86582	Residential	\$ 11,607.14	\$ 1,199.55
Total		\$ 975,000.00	\$ 100,762.20

Footnotes:

[a] Totals may not match the total outstanding Assessment or Annual Installment due to rounding.

[b] Outstanding Assessment prior to 1/31/2024 Annual Installment.

[c] The Annual Installment covers the period August 15, 2023 to August 14, 2024 and is due by 1/31/2024.

EXHIBIT B – DEBT SERVICE SCHEDULE

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Bonds:

<u>Fiscal Year Ending (September 30)</u>	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Total⁽¹⁾</u>
2014	\$ -	\$ 19,523	\$ 19,523
2015	25,000	66,937	91,937
2016	25,000	65,687	90,687
2017	25,000	64,437	89,437
2018	25,000	63,187	88,187
2019	25,000	61,937	86,937
2020	25,000	60,687	85,687
2021	25,000	59,437	84,437
2022	25,000	58,187	83,187
2023	25,000	56,937	81,937
2024	25,000	55,687	80,687
2025	25,000	54,437	79,437
2026	25,000	53,062	78,062
2027	25,000	51,687	76,687
2028	25,000	50,312	75,312
2029	25,000	48,937	73,937
2030	50,000	47,562	97,562
2031	50,000	44,812	94,812
2032	50,000	42,062	92,062
2033	50,000	39,312	89,312
2034	50,000	36,562	86,562
2035	50,000	33,812	83,812
2036	50,000	30,937	80,937
2037	50,000	28,062	78,062
2038	50,000	25,187	75,187
2039	75,000	22,312	97,312
2040	75,000	18,000	93,000
2041	75,000	13,500	88,500
2042	75,000	9,000	84,000
2043	75,000	4,500	79,500
Total	\$1,200,000	\$1,286,711	\$2,486,711

⁽¹⁾ Totals may not add due to rounding.

EXHIBIT C – BUYER DISCLOSURE

The buyer disclosure for the following Lot Types are found in this Exhibit:

- Residential Lot

WILLIAMSBURG PID NO. 2 PHASE 1C – RESIDENTIAL LOT BUYER DISCLOSURE

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 372.0035), 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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

RESIDENTIAL LOT PRINCIPAL ASSESSMENT: \$11,607.14

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 ***Williamsburg Public Improvement District No. 2*** (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 the City of Fate. The exact amount of each annual installment will be approved each year by the 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 the City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS – RESIDENTIAL LOT

Annual Installment Due 1/31	Principal	Interest	Collection Costs	Administration Costs	Annual Installment ^[a]
2024	\$ 297.62	\$ 662.95	\$ 180.95	\$ 58.04	\$ 1,199.55
2025	\$ 297.62	\$ 648.07	\$ 184.57	\$ 56.55	\$ 1,186.80
2026	\$ 297.62	\$ 631.70	\$ 188.26	\$ 55.06	\$ 1,172.64
2027	\$ 297.62	\$ 615.33	\$ 192.03	\$ 53.57	\$ 1,158.55
2028	\$ 297.62	\$ 598.96	\$ 195.87	\$ 52.08	\$ 1,144.53
2029	\$ 297.62	\$ 582.59	\$ 199.79	\$ 50.60	\$ 1,130.59
2030	\$ 595.24	\$ 566.22	\$ 203.78	\$ 49.11	\$ 1,414.35
2031	\$ 595.24	\$ 533.48	\$ 207.86	\$ 46.13	\$ 1,382.71
2032	\$ 595.24	\$ 500.74	\$ 212.01	\$ 43.15	\$ 1,351.15
2033	\$ 595.24	\$ 468.01	\$ 216.25	\$ 40.18	\$ 1,319.68
2034	\$ 595.24	\$ 435.27	\$ 220.58	\$ 37.20	\$ 1,288.29
2035	\$ 595.24	\$ 402.53	\$ 224.99	\$ 34.23	\$ 1,256.99
2036	\$ 595.24	\$ 368.30	\$ 229.49	\$ 31.25	\$ 1,224.28
2037	\$ 595.24	\$ 334.08	\$ 234.08	\$ 28.27	\$ 1,191.67
2038	\$ 595.24	\$ 299.85	\$ 238.76	\$ 25.30	\$ 1,159.15
2039	\$ 892.86	\$ 265.63	\$ 243.54	\$ 22.32	\$ 1,424.34
2040	\$ 892.86	\$ 214.29	\$ 248.41	\$ 17.86	\$ 1,373.41
2041	\$ 892.86	\$ 160.71	\$ 253.38	\$ 13.39	\$ 1,320.34
2042	\$ 892.86	\$ 107.14	\$ 258.44	\$ 8.93	\$ 1,267.37
2043	\$ 892.86	\$ 53.57	\$ 263.61	\$ 4.46	\$ 1,214.51
	\$ 11,607.14	\$ 8,449.40	\$ 4,396.67	\$ 727.68	\$ 25,180.89

Footnotes:

[a] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in Collection Costs, Administration Costs, interest earnings, or other available offsets could increase or decrease the amounts shown.



To: Honorable Mayor & City Council
From: Michael Kovacs, City Manager
Raju Anthony, Finance Director
Date: August 21, 2023

Agenda Item & Caption: Conduct A Public Hearing And Consider The Adoption Of Ordinance No. O-2023-____, Related To The Williamsburg East Public Improvement District; Ratifying And Conforming Prior Actions Of The City Council In Connection With The District; Approving The 2023 O&M Annual Service Plan Update; Levying Assessments Against The Assessed Property To Pay For The Maintenance Of Authorized Improvements Within The District; And Making Certain Findings And Determinations Relating To The District.

Action Requested: Hold Public Hearing And Approve Ordinance No. O-2023-____, Related To The Williamsburg East Public Improvement District; Ratifying And Conforming Prior Actions Of The City Council In Connection With The District; Approving The 2023 O&M Annual Service Plan Update; Levying Assessments Against The Assessed Property To Pay For The Maintenance Of Authorized Improvements Within The District; And Making Certain Findings And Determinations Relating To The District.

Overview and Background:

Party(ies) responsible for placing this item on agenda: Michael Kovacs, City Manager.

The Public Improvement District Act, Texas Local Government Code, Chapter 372 authorizes the City Council to create a Public Improvement District within the City. Accordingly, the Williamsburg East Public Improvement District was created on July 6, 2020 by Resolution No. R-2020-043.

The Operations and Maintenance (O&M) Service and Assessment Plan was approved by the City Council on October 19, 2020 by Ordinance No. O-2020-30. On July 17, 2023, the City Council called a public hearing for August 21, 2023.

The purpose of the O&M Assessment is to pay for the City's Operation and Maintenance of the Authorized Improvements within the PID and is equal to \$0.06 per one hundred dollars of taxable ad valorem property value, plus Annual Collection Costs, on property similarly benefited within the PID.

Unlike other PIDs administered in the City, the O&M Assessment must be re-levied annually by the City Council, and therefore must go through the statutory process required by the PID Act to levy an Assessment. After conclusion of the public hearing, the City Council will be asked to consider an ordinance approving the 2023 O&M Annual Service Plan Update and levying assessments to pay for the City's Operation and Maintenance of the Authorized Improvements within the PID.

Financial Considerations: N/A

Supporting Documents:

- Ordinance with 2023 O&M Annual Service Plan Update

**CITY OF FATE, TEXAS
ORDINANCE NO. O-2023-__**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FATE, TEXAS, RELATED TO THE WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT; RATIFYING AND CONFORMING PRIOR ACTIONS OF THE CITY COUNCIL IN CONNECTION WITH THE DISTRICT; APPROVING THE 2023 O&M ANNUAL SERVICE PLAN UPDATE; LEVYING ASSESSMENTS AGAINST THE ASSESSED PROPERTY TO PAY FOR THE MAINTENANCE OF AUTHORIZED IMPROVEMENTS WITHIN THE DISTRICT; PROVIDING FOR THE COLLECTION OF ASSESSMENTS; CREATING A CHARGE AND LIEN AGAINST THE ASSESSED PROPERTY; PROVIDING FOR PENALTIES FOR DELINQUENT ASSESSMENTS; MAKING LEGISLATIVE FINDINGS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act"), authorizes the City Council (the "Council") of the City of Fate, Texas (the "City"), to create a public improvement district within the City; and

WHEREAS, on July 6, 2020, the Council approved Resolution No. R-2020-043 (the "Authorization Resolution"), authorizing, establishing, and creating the Williamsburg East Public Improvement District (the "District"); and

WHEREAS, on October 19, 2020, the City Council adopted and approved Ordinance No. O-2020-30, accepting the *Williamsburg East Public Improvement District Operation and Maintenance Service and Assessment Plan* (the "SAP"), and the Assessment Roll and levied the Assessments for the maintenance of Authorized Improvements within the District; and

WHEREAS, the Act requires that the SAP be updated annually; and

WHEREAS, on July 17, 2023, the City Council adopted and approved Resolution No. R-2023-052, accepting the *City of Fate, Texas Williamsburg East Public Improvement District Preliminary 2023 O&M Annual Service Plan Update* (the "Preliminary SAP"), directing that the Preliminary SAP be filed with the City Secretary and made available for public inspection, calling for a public hearing on August 21, 2023, (the "Assessment Hearing") to consider the levy of Assessments against the Assessed Property to pay for the maintenance of Authorized Improvements within the District, and authorizing and directing the City Secretary to mail, publish, and otherwise provide notices of the Assessment Hearing as required by the Act; and

WHEREAS, the Preliminary SAP includes a service plan, assessment plan and assessment rolls as required by the Act; and

WHEREAS, the City Secretary mailed and caused to be published notice of the Assessment Hearing before the 10th day before the date of the Assessment Hearing as required by the Act; and

WHEREAS, after mailing, publishing, and otherwise providing all notices of the Assessment Hearing as required by the Act, the City Council conducted the Assessment Hearing on August 21, 2023, at the time and place and for the purposes set forth in the notices; and

WHEREAS, after all persons having and interest in the levy of assessments against the Assessed Property were given an opportunity to be heard in support of or in opposition to the assessments, the City Council closed the Assessment Hearing on August 21, 2023; and

WHEREAS, after the closing of the Assessment Hearing, and after considering the information, materials, evidence and testimony offered to the City Council prior to and at the Assessment Hearing, the City Council has determined that it promotes the interest of the City to adopt and approve this Ordinance.

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

SECTION 1. The findings set forth above, together with the Exhibits attached hereto, are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2. The City Council hereby accepts the 2023 O&M Annual Service Plan Update and is incorporated as part of the Ordinance for all purposes as **Exhibit A**. The 2023 O&M Annual Service Plan Update shall be updated by the City Council no less frequently than annually as required by the Act.

SECTION 3. Based on the 2023 O&M Annual Service Plan Update, the City Council hereby levies an Assessment upon each Assessed Property in the amounts set forth on the Assessment Rolls.

SECTION 4. Each Assessment against an Assessed Property, together with Annual Collection Costs, and reasonable attorney's fees, if incurred, constitutes a lien against the Assessed Property and is the personal liability of and charge against the owner of the Assessed Property regardless of whether the owner is named in this Ordinance.

SECTION 5. The Assessment lien against each Assessed Property created by is effective from the date of this Ordinance and "runs with the land." The special Assessment lien may be enforced by the City, including foreclosure, in the same manner that an ad valorem tax lien is foreclosed. Any purchaser of an Assessed Property in foreclosure takes subject to the lien against the Assessed Property created by the Assessment.

SECTION 6. The Assessments against each Assessed Property as set forth in the Assessment Rolls are due and payable not later than January 31, 2024 and will be delinquent February 1, 2024. Delinquent Assessments shall incur interest, penalties, and attorney's fees in the same manner as delinquent ad valorem taxes.

SECTION 7. The City shall cause the Assessments to be billed and collected at the same time and in the same manner as the ad valorem taxes, and immediately deposit the Annual Installment of Assessments collected from Assessed Property within the District into the Williamsburg East Operation and Maintenance Account.

SECTION 8. Based on materials and information prepared by City staff and qualified professional consultants, on testimony provided throughout the process of creating the District and levying the Assessments including, but not limited to, testimony offered at the Assessment Hearing, the City Council, acting in its discretionary, legislative capacity hereby finds and determines:

8.1 That the Assessed Property is specially benefitted by the Supplemental Services in an amount that meets or exceeds the Assessments.

8.2 The Assessments (i) are just and equitable; (ii) produces substantial equality, considering benefits received and the burdens imposed; (iii) results in equal shares of the cost of the services on property similarly benefitted; and (iv) is authorized by and has been levied in accordance with the Act, state law, and ordinances of the City.

8.3 That the Assessments against the Assessed Property are in amounts required to pay the costs of the Supplemental Services.

SECTION 9. The City Council may make supplemental Assessments to correct omissions or mistakes related to the cost of the Supplemental Services and reassessments if the City Council determines that any Assessment is excessive. The City Council may also adjust the Assessments downward following each annual update to the Operations and Maintenance Service and Assessment Plan.

SECTION 10. The City Secretary is directed to cause a copy of this Ordinance, including the 2023 O&M Annual Service Plan Update, to be recorded in the real property records of the County, on or before August 28, 2023. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

SECTION 11. This Ordinance incorporates, by reference, all provisions of the Act. In the event of any conflict between this Ordinance and the Act, the Act shall control.

SECTION 12. If any section, article, paragraph, sentence, clause, phrase or word of this Ordinance, or application thereto any persons or circumstances, is held invalid by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalid portions, which remaining portions shall remain in full force and effect.

SECTION 13. This Ordinance shall become effective from and after its date of passage and approval by the City Council.

PASSED AND APPROVED by the City Council of the City of Fate, Texas, the 21st day of August, 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC, City Secretary

Exhibit A

2023 O&M Annual Service Plan Update

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CITY OF FATE, TEXAS
WILLIAMSBURG EAST
PUBLIC IMPROVEMENT DISTRICT
2023 O&M ANNUAL SERVICE PLAN UPDATE
AUGUST 21, 2023

INTRODUCTION

Capitalized terms used in this O&M Annual Service Plan Update have the meanings set forth in the Williamsburg East Public Improvement District Operation and Maintenance Service and Assessment Plan (the “SAP”).

On July 6, 2020, the City Council passed Resolution No. 2020-043 approving and authorizing the creation of the District to finance the costs of Authorized Improvements for the benefit of the Assessed Property within the District.

On October 19, 2020, the City Council approved the SAP for the District by adopting Ordinance No. O-2020-30, which approved the levy of the Operations and Maintenance Assessment for Assessed Property within the District.

On July 6, 2021, the City Council approved the 2021 O&M Annual Service Plan Update for the District by adopting Ordinance No. O-2021-022, which approved the updated levy of the Operations and Maintenance Assessment for Assessed Property within the District.

On August 1, 2022, the City Council approved the 2022 O&M Annual Service Plan Update for the District by adopting Ordinance No. O-2022-024, which approved the updated levy of the Operations and Maintenance Assessment for Assessed Property within the District.

This 2023 O&M Annual Service Plan Update serves to levy the Operation and Maintenance Assessment and associated Annual Collection Costs, creating a lien against Assessed Property within the District to pay for operation and maintenance of the Authorized Improvements, and serves as the 2023 O&M Annual Service Plan Update in accordance with the PID Act.

PARCEL SUBDIVISION

Improvement Area #1

The Edgewater Phase 1 final plat was filed and recorded in the official records of the County on April 19, 2022 and consists of 154 residential Lots and 12 Lots classified as Non-Benefitted Property.

Major Improvement Area

There have not been any recorded plats in the Williamsburg East Major Improvement Area.

Improvement Area #2

There have not been any recorded plats in the Williamsburg East Improvement Area #2.

MAINTENANCE ASSESSMENT

The City, at its sole cost, will maintain the Authorized Improvements with proceeds from a fund provided with the Operations and Maintenance Assessment equal to \$0.06 per one hundred dollars of taxable ad valorem property value on property similarly benefitted within the District, but in no event will the Operations and Maintenance Assessment, plus associated Annual Collection Costs, be greater than the Operations and Maintenance Costs.

The Operations and Maintenance Assessment and Annual Collection Costs shall be collected per Lot in the same manner and at the same time as the Annual Installments of Assessments for the Authorized Improvements and shall be subject to the same penalties and procedures as the Annual Installments for the Authorized Improvements as authorized by the PID Act.

ANNUAL INSTALLMENT DUE 1/31/2024

- ***Operations and Maintenance Assessment*** – The total Operations and Maintenance Assessment required for the Annual Installment is \$24,154.85.
- ***Annual Collection Costs*** – The cost of administering the District and collecting the Annual Installment shall be paid for equally by each Parcel. The total Annual Collection Costs budgeted for the Annual Installment for the District is \$18,000.00.

Due January 31, 2024	
Operations and Maintenance Assessment	\$ 24,154.85
Annual Collection Costs	\$ 18,000.00
Total Annual Installment	\$ 42,154.85

SERVICE PLAN - FIVE YEAR PROJECTION

The PID Act requires the annual indebtedness and projected costs for the Operations and Maintenance Assessment and Annual Collection Costs to be reviewed and updated annually, and the projection shall cover a period of not less than five years.

Annual Installment Due		1/31/2024	1/31/2025	1/31/2026	1/31/2027	1/31/2028
Appraised Taxable Value ^[a]	A	\$ 40,258,087	\$ 80,220,000	\$ 126,060,000	\$ 166,050,000	\$ 185,440,000
Operation and Maintenance Assessment ^[b]	B	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Annual Collection Costs	C	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Total Annual Installment	D = (A ÷ 100) × (B + C)	\$ 42,154.85	\$ 83,999.57	\$ 131,999.32	\$ 173,873.46	\$ 194,177.02

Notes:

[a] Appraised Taxable Value for the current year per the Rockwall Central Appraisal District. Each following year is an estimate only, assuming 36 houses built per quarter, beginning in the second quarter of 2023, as provided by the Owner.

[b] Per the SAP, the Operations and Maintenance Assessment (per \$100 of Appraised Value).

ASSESSMENT ROLL

The list of current Lots within the District, the corresponding Operations and Maintenance Assessment, Annual Collection Costs, and total Annual Installment are shown on the Assessment Roll attached hereto as **Exhibit A**. The Lots shown on the Assessment Rolls will receive the bills for the 2023 Annual Installments which will be delinquent if not paid by January 31, 2024.

EXHIBIT A – ASSESSMENT ROLL

	A	B	C	D = (A ÷ 100) × (B + C)
Property ID	Appraised Taxable Value	Operation & Maintenance Assessment	Annual Collection Costs	Annual Installment Due 1/31/2024 ^[a]
11912	\$ 460,790.00	\$ 0.06	\$ 0.04	\$ 482.50
73541	\$ 186,762.00	\$ 0.06	\$ 0.04	\$ 195.56
73543	\$ 302,594.00	\$ 0.06	\$ 0.04	\$ 316.85
107335	\$ 542,394.00	\$ 0.06	\$ 0.04	\$ 567.95
116127	\$ 419,306.00	\$ 0.06	\$ 0.04	\$ 439.06
118291	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118292	\$ 368,883.00	\$ 0.06	\$ 0.04	\$ 386.26
118293	\$ 397,144.00	\$ 0.06	\$ 0.04	\$ 415.86
118294	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118295	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118296	\$ 386,341.00	\$ 0.06	\$ 0.04	\$ 404.54
118297	\$ 439,018.00	\$ 0.06	\$ 0.04	\$ 459.70
118298	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118299	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118300	\$ 357,841.00	\$ 0.06	\$ 0.04	\$ 374.70
118301	\$ 268,556.00	\$ 0.06	\$ 0.04	\$ 281.21
118302	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118303	\$ 8,517.00	\$ 0.06	\$ 0.04	\$ 8.92
118304	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118305	\$ 355,846.00	\$ 0.06	\$ 0.04	\$ 372.61
118306	\$ 398,314.00	\$ 0.06	\$ 0.04	\$ 417.08
118307	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118308	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118309	\$ 293,207.00	\$ 0.06	\$ 0.04	\$ 307.02
118310	\$ 278,907.00	\$ 0.06	\$ 0.04	\$ 292.05
118311	\$ 392,022.00	\$ 0.06	\$ 0.04	\$ 410.49
118312	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118313	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118314	\$ 100.00	\$ 0.06	\$ 0.04	\$ 0.10
118315	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118316	\$ 437,548.00	\$ 0.06	\$ 0.04	\$ 458.16
118317	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118318	\$ 400,978.00	\$ 0.06	\$ 0.04	\$ 419.87
118319	\$ 399,398.00	\$ 0.06	\$ 0.04	\$ 418.22
118320	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118321	\$ 457,335.00	\$ 0.06	\$ 0.04	\$ 478.88
118322	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118323	\$ -	\$ 0.06	\$ 0.04	\$ -
118324	\$ 458,124.00	\$ 0.06	\$ 0.04	\$ 479.71
118325	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60

	A		B		C	D = (A ÷ 100) × (B + C)	
Property ID	Appraised Taxable Value	Operation & Maintenance Assessment		Annual Collection Costs		Annual Installment Due 1/31/2024 ^[a]	
118326	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118327	\$ 1,115.00	\$	0.06	\$ 0.04	\$	1.17	
118328	\$ 682,656.00	\$	0.06	\$ 0.04	\$	714.82	
118329	\$ 628,063.00	\$	0.06	\$ 0.04	\$	657.65	
118330	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118331	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118332	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118333	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118334	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118335	\$ 100.00	\$	0.06	\$ 0.04	\$	0.10	
118336	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118337	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118338	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118339	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118340	\$ 100.00	\$	0.06	\$ 0.04	\$	0.10	
118341	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118342	\$ 344,493.00	\$	0.06	\$ 0.04	\$	360.72	
118343	\$ 346,104.00	\$	0.06	\$ 0.04	\$	362.41	
118344	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118345	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118346	\$ 226,093.00	\$	0.06	\$ 0.04	\$	236.75	
118347	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118348	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118349	\$ 352,813.00	\$	0.06	\$ 0.04	\$	369.44	
118350	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118351	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118352	\$ 241,277.00	\$	0.06	\$ 0.04	\$	252.64	
118353	\$ 205,293.00	\$	0.06	\$ 0.04	\$	214.97	
118354	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118355	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118356	\$ 344,458.00	\$	0.06	\$ 0.04	\$	360.69	
118357	\$ 336,567.00	\$	0.06	\$ 0.04	\$	352.42	
118358	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118359	\$ 354,226.00	\$	0.06	\$ 0.04	\$	370.92	
118361	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118362	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118363	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118364	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118365	\$ 100.00	\$	0.06	\$ 0.04	\$	0.10	
118366	\$ 100.00	\$	0.06	\$ 0.04	\$	0.10	

	A		B		C	D = (A ÷ 100) × (B + C)	
Property ID	Appraised Taxable Value	Operation & Maintenance Assessment		Annual Collection Costs		Annual Installment Due 1/31/2024 ^[a]	
118367	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118368	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118369	\$ 368,820.00	\$	0.06	\$ 0.04	\$	386.20	
118370	\$ 355,044.00	\$	0.06	\$ 0.04	\$	371.77	
118371	\$ 344,961.00	\$	0.06	\$ 0.04	\$	361.21	
118372	\$ 383,540.00	\$	0.06	\$ 0.04	\$	401.61	
118373	\$ 332,908.00	\$	0.06	\$ 0.04	\$	348.59	
118374	\$ 286,104.00	\$	0.06	\$ 0.04	\$	299.58	
118375	\$ 262,141.00	\$	0.06	\$ 0.04	\$	274.49	
118376	\$ 372,625.00	\$	0.06	\$ 0.04	\$	390.18	
118377	\$ 218,649.00	\$	0.06	\$ 0.04	\$	228.95	
118378	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118379	\$ 383,413.00	\$	0.06	\$ 0.04	\$	401.48	
118380	\$ 339,328.00	\$	0.06	\$ 0.04	\$	355.32	
118381	\$ 297,446.00	\$	0.06	\$ 0.04	\$	311.46	
118382	\$ 352,504.00	\$	0.06	\$ 0.04	\$	369.11	
118383	\$ 344,930.00	\$	0.06	\$ 0.04	\$	361.18	
118384	\$ 355,304.00	\$	0.06	\$ 0.04	\$	372.04	
118385	\$ 342,734.00	\$	0.06	\$ 0.04	\$	358.88	
118386	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118387	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118388	\$ 347,101.00	\$	0.06	\$ 0.04	\$	363.45	
118389	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118390	\$ 397,090.00	\$	0.06	\$ 0.04	\$	415.80	
118391	\$ 100.00	\$	0.06	\$ 0.04	\$	0.10	
118392	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118393	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118394	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118395	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118396	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118397	\$ 100.00	\$	0.06	\$ 0.04	\$	0.10	
118398	\$ 360,789.00	\$	0.06	\$ 0.04	\$	377.79	
118399	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118400	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118401	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118402	\$ 475,752.00	\$	0.06	\$ 0.04	\$	498.17	
118403	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118404	\$ 477,225.00	\$	0.06	\$ 0.04	\$	499.71	
118405	\$ 370,047.00	\$	0.06	\$ 0.04	\$	387.48	
118406	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	

	A		B		C	D = (A ÷ 100) × (B + C)	
Property ID	Appraised Taxable Value	Operation & Maintenance Assessment		Annual Collection Costs		Annual Installment Due 1/31/2024 ^[a]	
118407	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118408	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118409	\$ 491,863.00	\$	0.06	\$ 0.04	\$	515.04	
118410	\$ 380,348.00	\$	0.06	\$ 0.04	\$	398.27	
118411	\$ 409,189.00	\$	0.06	\$ 0.04	\$	428.47	
118412	\$ 434,351.00	\$	0.06	\$ 0.04	\$	454.82	
118413	\$ 418,860.00	\$	0.06	\$ 0.04	\$	438.59	
118414	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118415	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118416	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118417	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118418	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118419	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118420	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118421	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118422	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118423	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118424	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118425	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118426	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118427	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118428	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118429	\$ 479,429.00	\$	0.06	\$ 0.04	\$	502.02	
118430	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118431	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118432	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118433	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118434	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118435	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118436	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118437	\$ 452,900.00	\$	0.06	\$ 0.04	\$	474.24	
118438	\$ 465,416.00	\$	0.06	\$ 0.04	\$	487.34	
118439	\$ 527,155.00	\$	0.06	\$ 0.04	\$	551.99	
118440	\$ 419,517.00	\$	0.06	\$ 0.04	\$	439.28	
118441	\$ 554,241.00	\$	0.06	\$ 0.04	\$	580.35	
118442	\$ 473,486.00	\$	0.06	\$ 0.04	\$	495.79	
118443	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118444	\$ 140,000.00	\$	0.06	\$ 0.04	\$	146.60	
118445	\$ 457,782.00	\$	0.06	\$ 0.04	\$	479.35	
118446	\$ 474,074.00	\$	0.06	\$ 0.04	\$	496.41	

	A	B	C	D = (A ÷ 100) × (B + C)
Property ID	Appraised Taxable Value	Operation & Maintenance Assessment	Annual Collection Costs	Annual Installment Due 1/31/2024 ^[a]
118447	\$ 436,858.00	\$ 0.06	\$ 0.04	\$ 457.44
118448	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118449	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118450	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118451	\$ 444,612.00	\$ 0.06	\$ 0.04	\$ 465.56
118452	\$ 463,689.00	\$ 0.06	\$ 0.04	\$ 485.54
118453	\$ 527,155.00	\$ 0.06	\$ 0.04	\$ 551.99
118454	\$ 140,000.00	\$ 0.06	\$ 0.04	\$ 146.60
118455	\$ 3,785.00	\$ 0.06	\$ 0.04	\$ 3.96
118456	\$ 1,121.00	\$ 0.06	\$ 0.04	\$ 1.17
118457	\$ 2,618.00	\$ 0.06	\$ 0.04	\$ 2.74
331289	\$ 57,500.00	\$ 0.06	\$ 0.04	\$ 60.21
Total	\$ 40,258,087.00			\$ 42,155.12

Notes:

[a] Totals may not match the Annual Installment due to rounding.

EXHIBIT B – BUYER DISCLOSURES

The buyer disclosure for the Operations & Maintenance Assessment is found in this Exhibit.

[Remainder of page intentionally left blank.]

**WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT
OPERATION & MAINTENANCE ASSESSMENT BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 ***Williamsburg East 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.



To: Honorable Mayor & City Council

From: Michael Kovacs, City Manager

Raju Anthony, Finance Director

Date: August 21, 2023

Agenda Item & Caption: Conduct A Public Hearing And Consider The Adoption Of Ordinance No. O-2023-____, Related To The Monterra Public Improvement District; Ratifying And Conforming Prior Actions Of The City Council In Connection With The District; Approving The 2023 O&M Annual Service Plan Update; Levying Assessments Against The Assessed Property To Pay For The Maintenance Of Authorized Improvements Within The District; And Making Certain Findings And Determinations Relating To The District.

Action Requested: Hold Public Hearing And Approve Ordinance No. O-2023-____, Related To The Monterra Public Improvement District; Ratifying And Conforming Prior Actions Of The City Council In Connection With The District; Approving The 2023 O&M Annual Service Plan Update; Levying Assessments Against The Assessed Property To Pay For The Maintenance Of Authorized Improvements Within The District; And Making Certain Findings And Determinations Relating To The District.

Overview and Background:

Party(ies) responsible for placing this item on agenda: Michael Kovacs, City Manager.

The Public Improvement District Act, Texas Local Government Code, Chapter 372 authorizes the City Council to create a Public Improvement District within the City. Accordingly, the Monterra Public Improvement District was created on March 24, 2021 by Resolution No. R-2021-047.

The Operations and Maintenance (O&M) Service and Assessment Plan was approved by the City Council on November 8, 2021 by Ordinance No. O-2021-043. On July 17, 2023, the City Council called a public hearing for August 21, 2023.

The purpose of the O&M Assessment is to pay for the City's Operation and Maintenance of the Authorized Improvements within the PID and is equal to \$0.06 per one hundred dollars of taxable ad valorem property value, plus Annual Collection Costs, on property similarly benefited within the PID.

Unlike other PIDs administered in the City, the O&M Assessment must be re-levied annually by the City Council, and therefore must go through the statutory process required by the PID Act to levy an Assessment. After conclusion of the public hearing, the City Council will be asked to consider an ordinance approving the 2022 O&M Annual Service Plan Update and levying assessments to pay for the City's Operation and Maintenance of the Authorized Improvements within the PID.

Financial Considerations: N/A

Supporting Documents:

- Ordinance with 2023 O&M Annual Service Plan Update

CITY OF FATE, TEXAS
ORDINANCE NO. O-2023-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FATE, TEXAS, RELATED TO THE MONTERRA PUBLIC IMPROVEMENT DISTRICT; RATIFYING AND CONFORMING PRIOR ACTIONS OF THE CITY COUNCIL IN CONNECTION WITH THE DISTRICT; APPROVING THE 2023 O&M ANNUAL SERVICE PLAN UPDATE; LEVYING ASSESSMENTS AGAINST THE ASSESSED PROPERTY TO PAY FOR THE MAINTENANCE OF AUTHORIZED IMPROVEMENTS WITHIN THE DISTRICT; PROVIDING FOR THE COLLECTION OF ASSESSMENTS; CREATING A CHARGE AND LIEN AGAINST THE ASSESSED PROPERTY; PROVIDING FOR PENALTIES FOR DELINQUENT ASSESSMENTS; MAKING LEGISLATIVE FINDINGS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act"), authorizes the City Council (the "Council") of the City of Fate, Texas (the "City"), to create a public improvement district within the City; and

WHEREAS, on March 24, 2021, the Council approved Resolution No. R-2021-047 (the "Authorization Resolution"), authorizing, establishing, and creating the Monterra Public Improvement District (the "District"); and

WHEREAS, on November 8, 2021, the City Council adopted and approved Ordinance No. O-2021-043, accepting the *Monterra Public Improvement District Operation and Maintenance Service and Assessment Plan* (the "SAP"), and the Assessment Roll and levied the Assessments for the maintenance of Authorized Improvements within the District; and

WHEREAS, the Act requires that the SAP be updated annually; and

WHEREAS, on July 17, 2023, the City Council adopted and approved Resolution No. R-2023-051, accepting the *City of Fate, Texas Monterra Public Improvement District Preliminary 2023 O&M Annual Service Plan Update* (the "Preliminary SAP"), directing that the Preliminary SAP be filed with the City Secretary and made available for public inspection, calling for a public hearing on August 21, 2023, (the "Assessment Hearing") to consider the levy of Assessments against the Assessed Property to pay for the maintenance of Authorized Improvements within the District, and authorizing and directing the City Secretary to mail, publish, and otherwise provide notices of the Assessment Hearing as required by the Act; and

WHEREAS, the Preliminary SAP includes a service plan, assessment plan and assessment rolls as required by the Act; and

WHEREAS, the City Secretary mailed and caused to be published notice of the Assessment Hearing before the 10th day before the date of the Assessment Hearing as required by the Act; and

WHEREAS, after mailing, publishing, and otherwise providing all notices of the Assessment Hearing as required by the Act, the City Council conducted the Assessment Hearing on August 21, 2023, at the time and place and for the purposes set forth in the notices; and

WHEREAS, after all persons having and interest in the levy of assessments against the Assessed Property were given an opportunity to be heard in support of or in opposition to the assessments, the City Council closed the Assessment Hearing on August 21, 2023; and

WHEREAS, after the closing of the Assessment Hearing, and after considering the information, materials, evidence and testimony offered to the City Council prior to and at the Assessment Hearing, the City Council has determined that it promotes the interest of the City to adopt and approve this Ordinance.

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

SECTION 1. The findings set forth above, together with the Exhibits attached hereto, are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2. The City Council hereby accepts the 2023 O&M Annual Service Plan Update and is incorporated as part of the Ordinance for all purposes as **Exhibit A**. The 2023 O&M Annual Service Plan Update shall be updated by the City Council no less frequently than annually as required by the Act.

SECTION 3. Based on the 2023 O&M Annual Service Plan Update, the City Council hereby levies an Assessment upon each Assessed Property in the amounts set forth on the Assessment Rolls.

SECTION 4. Each Assessment against an Assessed Property, together with Annual Collection Costs, and reasonable attorney's fees, if incurred, constitutes a lien against the Assessed Property and is the personal liability of and charge against the owner of the Assessed Property regardless of whether the owner is named in this Ordinance.

SECTION 5. The Assessment lien against each Assessed Property created by is effective from the date of this Ordinance and "runs with the land." The special Assessment lien may be enforced by the City, including foreclosure, in the same manner that an ad valorem tax lien is foreclosed. Any purchaser of an Assessed Property in foreclosure takes subject to the lien against the Assessed Property created by the Assessment.

SECTION 6. The Assessments against each Assessed Property as set forth in the Assessment Rolls are due and payable not later than January 31, 2024 and will be delinquent February 1, 2024. Delinquent Assessments shall incur interest, penalties, and attorney's fees in the same manner as delinquent ad valorem taxes.

SECTION 7. The City shall cause the Assessments to be billed and collected at the same time and in the same manner as the ad valorem taxes, and immediately deposit as follows:

7.1 The Operation and Maintenance Assessment revenue shall be deposited into

the City's Monterra PID Maintenance Tax Fund established by the City Council of the City of Fate pursuant to Ordinance No. O-2021-028 on August 2, 2021.

SECTION 8. Based on materials and information prepared by City staff and qualified professional consultants, on testimony provided throughout the process of creating the District and levying the Assessments including, but not limited to, testimony offered at the Assessment Hearing, the City Council, acting in its discretionary, legislative capacity hereby finds and determines:

8.1 That the Assessed Property is specially benefitted by the Supplemental Services in an amount that meets or exceeds the Assessments.

8.2 The Assessments (i) are just and equitable; (ii) produces substantial equality, considering benefits received and the burdens imposed; (iii) results in equal shares of the cost of the services on property similarly benefited; and (iv) is authorized by and has been levied in accordance with the Act, state law, and ordinances of the City.

8.3 That the Assessments against the Assessed Property are in amounts required to pay the costs of the Supplemental Services.

SECTION 9. The City Council may make supplemental Assessments to correct omissions or mistakes related to the cost of the Supplemental Services and reassessments if the City Council determines that any Assessment is excessive. The City Council may also adjust the Assessments downward following each annual update to the Operations and Maintenance Service and Assessment Plan.

SECTION 10. The City Secretary is directed to cause a copy of this Ordinance, including the 2023 O&M Annual Service Plan Update, to be recorded in the real property records of the County, on or before August 28, 2023. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

SECTION 11. This Ordinance incorporates, by reference, all provisions of the Act. In the event of any conflict between this Ordinance and the Act, the Act shall control.

SECTION 12. If any section, article, paragraph, sentence, clause, phrase or word of this Ordinance, or application thereto any persons or circumstances, is held invalid by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalid portions, which remaining portions shall remain in full force and effect.

SECTION 13. This Ordinance shall become effective from and after its date of passage and approval by the City Council.

PASSED AND APPROVED by the City Council of the City of Fate, Texas, the 21st day of August, 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC, City Secretary

Exhibit A

2023 O&M Annual Service Plan Update

[Remainder of page left blank intentionally.]



CITY OF FATE, TEXAS
MONTERRA PUBLIC IMPROVEMENT DISTRICT
2023 O&M ANNUAL SERVICE PLAN UPDATE
AUGUST 21, 2023

INTRODUCTION

Capitalized terms used in this O&M Annual Service Plan Update have the meanings set forth in the Monterra Public Improvement District Operation and Maintenance Service and Assessment Plan (the “SAP”).

On March 24, 2021, the City Council passed Resolution No. R-2021-047 approving and authorizing the establishment of the District in accordance with the PID Act to finance the costs of Operation and Maintenance Costs that confer a special benefit on Assessed Property in the District.

On November 8, 2021, the City Council approved the SAP for the District by adopting Ordinance No. O-2021-043, which approved the levy of the Operations and Maintenance Assessment for Assessed Property within the District.

On August 1, 2022, the City Council approved the 2022 O&M Annual Service Plan Update by adopting Ordinance No. O-2022-023, which approved the levy of the Operations and Maintenance Assessment for Assessed Property within the District for 2022.

This 2023 O&M Annual Service Plan Update serves to levy the Operation and Maintenance Assessment and associated Annual Collection Costs, creating a lien against Assessed Property within the District to pay for operation and maintenance of the Authorized Improvements, and serves as the 2023 O&M Annual Service Plan Update in accordance with the PID Act.

PARCEL SUBDIVISION

Improvement Area #1

No final plats have been filed and recorded with the County.

Remainder Area

No final plats have been filed and recorded with the County.

See **Exhibit B** for the buyer disclosure.

MAINTENANCE ASSESSMENT

The City, at its sole cost, will maintain the Authorized Improvements with proceeds from a fund provided with the Operations and Maintenance Assessment equal to \$0.06 per one hundred dollars of taxable ad valorem property value on property similarly benefited within the District, but in no event will the Operations and Maintenance Assessment, plus associated Annual Collection Costs, be greater than the Operations and Maintenance Costs.

The Operations and Maintenance Assessment and Annual Collection Costs shall be collected per Lot in the same manner and at the same time as the Annual Installments of Assessments for the Authorized Improvements and shall be subject to the same penalties and procedures as the Annual Installments for the Authorized Improvements as authorized by the PID Act.

ANNUAL INSTALLMENT DUE 1/31/2024

- **Operations and Maintenance Assessment** – The total Operations and Maintenance Assessment required for the Annual Installment is \$17.77.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installment shall be paid for equally by each Parcel. The total Annual Collection Costs budgeted for the Annual Installment for the District is \$5,000.00.

Due January 31, 2024	
Operations and Maintenance Assessment	\$ 17.77
Annual Collection Costs	\$ 5,000.00
Total Annual Installment	\$ 5,017.77

SERVICE PLAN - FIVE YEAR PROJECTION

The PID Act requires the annual indebtedness and projected costs for the Operations and Maintenance Assessment and Annual Collection Costs to be reviewed and updated annually, and the projection shall cover a period of not less than five years.

Annual Installment Due		1/31/2024	1/31/2025	1/31/2026	1/31/2027	1/31/2028
Appraised Taxable Value ¹	A	\$ 29,613.00	\$ 24,033,750.00	\$ 101,318,750.00	\$ 132,312,500.00	\$ 132,312,500.00
Operation and Maintenance Assessment ²	B	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Annual Collection Costs	C	\$ 5,000.00	\$ 5,100.00	\$ 5,202.00	\$ 5,306.04	\$ 5,412.16
Total Annual Installment	D = ((A ÷ 100) × B) + C	\$ 5,017.77	\$ 19,520.25	\$ 65,993.25	\$ 84,693.54	\$ 84,799.66

Notes:

1) Appraised Value for the current year per the Rockwall Central Appraisal District. Each following year is an estimate only, based on absorption schedules appearing in the Draft 2 Appraisal.

2) Per the SAP, the Operations and Maintenance Assessment (per \$100 of Appraised Value).

ASSESSMENT ROLL

The list of current Lots within the District, the corresponding Operations and Maintenance Assessment, Annual Collection Costs, and total Annual Installment are shown on the Assessment Roll attached hereto as **Exhibit A**. The Lots shown on the Assessment Roll will receive the bills for the 2023 Annual Installments which will be delinquent if not paid by January 31, 2024.

EXHIBIT A – ASSESSMENT ROLL

	A	B	C	D = ((A ÷ 100) × B) + C
Property ID	Appraised Taxable Value	O&M Assessment	Annual Collection Costs ^[b]	Annual Installment Due 1/31/2024 ^[a]
10490	\$ 23,715.00	\$ 0.06	\$ 4,004.15	\$ 4,018.38
10491	\$ 4,365.00	\$ 0.06	\$ 737.01	\$ 739.63
10492	\$ 972.00	\$ 0.06	\$ 164.12	\$ 164.70
12106	\$ 561.00	\$ 0.06	\$ 94.72	\$ 95.06
Total	\$ 29,613.00		\$ 5,000.00	\$ 5,017.77

Notes:

[a] Totals may not match the Annual Installment due to rounding.

[b] Annual Collection Costs collected pro rata based on appraised taxable value as provided by the County.

EXHIBIT B – BUYER DISCLOSURE

The buyer disclosure for the Operations & Maintenance Assessment is found in this Exhibit.

[Remainder of page intentionally left blank.]

MONTERRA PUBLIC IMPROVEMENT DISTRICT OPERATION & MAINTENANCE ASSESSMENT BUYER DISCLOSURE

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 ***Monterra 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.



To: Honorable Mayor & City Council

From: Michael Kovacs, City Manager

Raju Anthony, Finance Director

Date: August 21, 2023

Agenda Item & Caption: Consider And Act On Approving The Monterra Public Improvement District 2023 Annual Service Plan Update Dated August 21, 2023, Including The Collection Of The Annual Installment Due January 31, 2024.

Action Requested: Approving the Monterra Public Improvement District 2023 Annual Service Plan Update dated August 21, 2023, including the collection of the Annual Installment due January 31, 2024.

Overview and Background:

Party(ies) responsible for placing this item on agenda: Michael Kovacs, City Manager.

The Public Improvement District Act, Texas Local Government Code, Chapter 372 authorizes the City Council to create a Public Improvement District within the City. Accordingly, the Monterra Public Improvement District was created on March 24, 2021, by Resolution No. R-2021-047. On October 18, 2021, the City Council approved Ordinance No. O-2021-041, which adopted the Service and Assessment Plan for the District.

The PID Act requires that the Service and Assessment Plan be reviewed and updated annually for the purpose of determining the annual budget for improvements, and to make any other needed modifications to the Service and Assessment Plan and/or the Assessments Rolls.

Financial Considerations: N/A

Supporting Documents:

- Ordinance with 2023 Annual Service Plan Update

CITY OF FATE

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF FATE APPROVING THE 2023 ANNUAL SERVICE PLAN UPDATE AND 2023 ASSESSMENT ROLL FOR PUBLIC IMPROVEMENTS FOR THE MONTERRA PUBLIC IMPROVEMENT DISTRICT IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Fate, Texas (the "City") is authorized under Chapter 372 of the Texas Local Government Code, as amended (the "Act"), to create a public improvement district within its corporate limits; and

WHEREAS, on March 24, 2021, the City Council passed and adopted Resolution No. R-2021-047 which authorized the Monterra Public Improvement District (the "District") in accordance with the City Council's findings as to the advisability of the public improvement projects described in the Petition and as to the advisability of creating the District; and

WHEREAS, on October 18, 2021, the City Council approved Ordinance No. O-2021-041, and the Service and Assessment Plan for the District, adopting an Assessment Roll; and

WHEREAS, pursuant to Section 371.013 of the Act, the Service and Assessment Plan must cover a period of at least five years and must also define the annual indebtedness and projected costs for improvements and such Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for improvements; and

WHEREAS, the City Council has received the "City of Fate, Texas, Monterra Public Improvement District 2023 Annual Service Plan Update" (the "2023 Annual Service Plan Update") which includes the updated Assessment Roll, and acts as the Annual Service Plan Update to the Service and Assessment Plan for 2023, and now desires to proceed with the adoption of this Ordinance which approves and adopts the 2023 Annual Service Plan Update and updated Assessment Roll for the District as required by the Act.

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

SECTION 1. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

SECTION 2. Terms not otherwise defined herein are defined in 2023 Annual Service Plan Update attached hereto as **Exhibit A**.

SECTION 3. The 2023 Annual Service Plan Update is hereby approved and accepted by the City Council.

SECTION 4. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion here, and all provisions of this Ordinance are declared to be severable for that purpose.

SECTION 5. The City Secretary is directed to cause a copy of this Ordinance, including the 2023 Annual Service Plan Update, to be recorded in the real property records of the County on or before August 28, 2023. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

SECTION 6. This Ordinance shall take effect from and after its final date of passage, and it is accordingly so ordered.

PASSED AND APPROVED by the City Council of the City of Fate, Texas, the 21st day of August, 2023.

APPROVED:

David Billings, Mayor

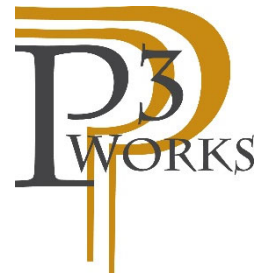
ATTEST:

Victoria Raduechel, TRMC, City Secretary

Exhibit A

2023 Annual Service Plan Update

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MONTERRA
PUBLIC IMPROVEMENT DISTRICT
2023 ANNUAL SERVICE PLAN UPDATE

August 21, 2023

INTRODUCTION

Capitalized terms used in this 2023 Annual Service Plan Update shall have the meanings set forth in the Monterra Public Improvement District 2021 Service and Assessment Plan (the “2021 SAP”) used for the issuance of PID Bonds.

The District was created pursuant to the PID Act, by Resolution No. R-2021-047 of the City Council on March 24, 2021 to finance certain public improvement projects for the benefit of the property in District.

On October 18, 2021, the City Council approved the Service and Assessment Plan for District by Ordinance No. O-2021-041 to finance the Authorized Improvements for the benefit of the property in District.

On August 1, 2022, the City Council approved the 2022 Annual Service Plan Update for the District by Ordinance No. O-2022-021, which updated the Assessment Roll for 2022.

The 2021 Service and Assessment Plan identified the Authorized Improvements to be constructed for the benefit of the Assessed Properties within the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in District for the costs of the Authorized Improvements. Pursuant to the PID Act, the Service and Assessment Plan must be reviewed and updated annually. This document is the Annual Service Plan Update for 2023.

The City Council also adopted an Assessment Roll identifying the Assessment on each Lot within the District, based on the method of assessment identified in the Service and Assessment Plan. This 2023 Annual Service Plan Update also updates the Assessment Roll for 2023.

PARCEL SUBDIVISION

Improvement Area #1

- The final plat of Monterra Phase 1A, attached hereto as **Exhibit C-1**, was filed and recorded with the County on July 13, 2023, and consists of 310 residential Lots and 8 Lots of Non-Benefited Property. Of the 310 residential Lots, 98 are classified as Lot Type 1, 149 are classified as Lot Type 2, and 63 are classified as Lot Type 3.
- The final plat of Monterra Phase 1B, attached hereto as **Exhibit C-2**, was filed and recorded with the County on July 19, 2023, and consists of 1 residential Lot and 1 Lot of Non-Benefited Property. The residential Lot is classified as Lot Type 3.

LOT AND HOME SALES

Improvement Area #1

Per the Quarterly Report dated March 31, 2023, 305 of the anticipated 310 residential Lots are under contract with Grand Homes, Highland Homes, K Hovnanian Homes, and Weekly Homes. No residential lots have closed to homebuilders.

See **Exhibit C** for buyer disclosures for the District.

AUTHORIZED IMPROVEMENTS

Per the Quarterly Report dated March 31, 2023, the Authorized Improvements are substantially complete as of November 30, 2022. Landscaping Improvements are anticipated to be completed by 3rd Quarter of 2023. The budget for the Authorized Improvements remains unchanged as shown on the table below.

Authorized Improvement Budget						
Authorized Improvements	Budget	Actual Costs Drawn from Improvement Area #1 Improvement Account ^[a]	Actual Costs Financed with Sources Other Than Bond Proceeds ^[a]	Percent Complete	Forecast Completion Date ^[b]	
Major Improvements						
Sanitary Sewer System	\$ 709,667	\$ 210,597	\$ 275,707	68.53%	Jun-22	
Storm Sewer System	121,489	45,331	72,354	96.87%	Jul-22	
Soft Costs	339,274	138,544	132,098	79.77%		
Total	\$ 1,170,430	\$ 394,472	\$ 480,158	74.73%		
Improvement Area #1 Improvements						
Street	\$ 2,608,317	\$ 1,937,475	\$ 654,367	99.37%	November 2022	
Water	712,118	712,118	333,102	146.78%	June 2022	
Sanitary Sewer	1,528,772	819,105	304,874	73.52%	June 2022	
Storm Sewer	2,725,928	1,357,163	202,109	57.20%	July 2022	
Soft Costs	2,295,028	871,561	35,442	39.52%		
Total	\$ 9,870,163	\$ 5,697,421	\$ 1,529,894	73.22%		

Footnotes:

[a] Per the Quarterly Report dated 3/31/2022.

[b] Note, final acceptance of improvements occurred on July 13, 2023.

OUTSTANDING ASSESSMENT

Improvement Area #1

Improvement Area #1 has an outstanding Assessment of \$11,452,000.00¹.

ANNUAL INSTALLMENT DUE 1/31/2024

Improvement Area #1

- **Principal and Interest²** - The total principal and interest required for the Annual Installment for Improvement Area #1 is \$675,381.26.
- **Additional Interest** - The Prepayment and Delinquency Reserve Requirement, as defined in the Indenture, has not been met. As such, the Prepayment and Delinquency Reserve will be funded with Additional Interest on the outstanding Assessment, resulting in an Additional Interest amount due of \$57,260.00.
- **Annual Collection Costs** - The cost of administering District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs

¹ Net of \$238,000.00 Improvement Area #1 Bonds principal payment due August 15, 2023 which will be paid using the Annual Installment collected on January 31, 2023.

² The Annual Installment covers the period August 15, 2023 to August 14, 2024 and is due by January 31, 2024.

budgeted for the Annual Installment for Improvement Area #1 is \$49,212.00. A breakdown of the Annual Collection Costs is shown below.

Improvement Area #1	
Annual Collection Cost Breakdown	
Administration	\$ 31,212.00
City Auditor	2,500.00
Filing Fees	1,500.00
PID Trustee Fees	4,500.00
Dissemination Agent	3,500.00
Draw Request	5,000.00
Miscellaneous	1,000.00
Total Annual Collection Costs	\$ 49,212.00

Improvement Area #1	
Due January 31, 2024	
Principal	\$ 245,000.00
Interest	430,381.26
Annual Collection Costs	49,212.00
Additional Interest	57,260.00
Total Annual Installment	\$ 781,853.26

See **Exhibit B** for the debt service schedule for the Improvement Area #1 Bonds as shown in the official statement.

PREPAYMENT OF ASSESSMENTS IN FULL

Improvement Area #1

No full prepayments have occurred within Improvement Area #1.

PARTIAL PREPAYMENT OF ASSESSMENTS

Improvement Area #1

No partial prepayments have occurred within Improvement Area #1.

EXTRAORDINARY OPTIONAL REDEMPTIONS

Improvement Area #1

No extraordinary optional redemptions have occurred within Improvement Area #1.

SERVICE PLAN - FIVE YEAR BUDGET FORECAST

The PID Act requires the annual indebtedness and projected costs for the Authorized Improvements to be reviewed and updated in the Annual Service Plan Update, and the projection shall cover a period of not less than five years.

		Improvement Area #1				
Annual Installment Due		1/31/2024	1/31/2025	1/31/2026	1/31/2027	1/31/2028
Principal		\$ 245,000.00	\$ 252,000.00	\$ 259,000.00	\$ 266,000.00	\$ 275,000.00
Interest		\$ 430,381.26	\$ 423,643.76	\$ 416,713.76	\$ 409,591.26	\$ 400,613.76
	(1)	\$ 675,381.26	\$ 675,643.76	\$ 675,713.76	\$ 675,591.26	\$ 675,613.76
Additional Interest	(2)	\$ 57,260.00	\$ 56,035.00	\$ 54,775.00	\$ 53,480.00	\$ 52,150.00
Annual Collection Costs	(3)	\$ 49,212.00	\$ 50,196.24	\$ 51,200.16	\$ 52,224.17	\$ 53,268.65
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 781,853.26	\$ 781,875.00	\$ 781,688.92	\$ 781,295.43	\$ 781,032.41

ASSESSMENT ROLL

The list of current Parcels within Improvement Area #1, the corresponding total Assessments, and current Annual Installment are shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit A**. The Parcels shown on the Assessment Roll will receive the bills for the 2023 Annual Installments which will be delinquent if not paid by January 31, 2024.

EXHIBIT A – ASSESSMENT ROLL

Property ID ^[a]	Lot Type	Outstanding Assessment ^[b]	Annual Installment Due 1/31/2024 ^[b]
10490	Improvement Area #1 Initial Parcel	\$ 9,299,405.73	\$ 634,890.91
10491	Improvement Area #1 Initial Parcel	\$ 2,070,794.27	\$ 141,377.68
10492	Improvement Area #1 Initial Parcel	\$ 81,800.00	\$ 5,584.67
Total^[c]		\$ 11,452,000.00	\$ 781,853.26

Footnotes:

[a] Property IDs 10490, 10491 and 10492 contain the entirety of the Improvement Area #1 Initial Parcel. For billing purposes, the Annual Installment due 1/31/2023 will be Property IDs pro rata based on acreage.

[b] Annual Installment covers the period August 15, 2023 to August 14, 2024 and is due by January 31, 2024.

[c] Totals may not match Service Plan or Installment Schedule due to rounding.

EXHIBIT B – IMPROVEMENT AREA #1 DEBT SERVICE SCHEDULE

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Bonds:

Year Ending (September 30)	Principal	Interest	Total
2022 ⁽¹⁾	\$ -	\$341,045.22	\$341,045.22
2023	238,000	436,926.26	674,926.26
2024	245,000	430,381.26	675,381.26
2025	252,000	423,643.76	675,643.76
2026	259,000	416,713.76	675,713.76
2027	266,000	409,591.26	675,591.26
2028	275,000	400,613.76	675,613.76
2029	284,000	391,332.50	675,332.50
2030	294,000	381,747.50	675,747.50
2031	304,000	371,825.00	675,825.00
2032	314,000	361,565.00	675,565.00
2033	326,000	349,790.00	675,790.00
2034	339,000	337,565.00	676,565.00
2035	352,000	324,852.50	676,852.50
2036	365,000	311,652.50	676,652.50
2037	379,000	297,965.00	676,965.00
2038	393,000	283,752.50	676,752.50
2039	409,000	269,015.00	678,015.00
2040	424,000	253,677.50	677,677.50
2041	441,000	237,777.50	678,777.50
2042	458,000	221,240.00	679,240.00
2043	477,000	202,920.00	679,920.00
2044	496,000	183,840.00	679,840.00
2045	517,000	164,000.00	681,000.00
2046	538,000	143,320.00	681,320.00
2047	560,000	121,800.00	681,800.00
2048	584,000	99,400.00	683,400.00
2049	608,000	76,040.00	684,040.00
2050	633,000	51,720.00	684,720.00
2051	660,000	26,400.00	686,400.00
Total	<u>\$11,690,000</u>	<u>\$8,322,112.78</u>	<u>\$20,012,112.78</u>

⁽¹⁾ Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on February 15, 2022 and August 15, 2022.

EXHIBIT C-1 – FINAL PLAT FOR MONTERRA PHASE 1A



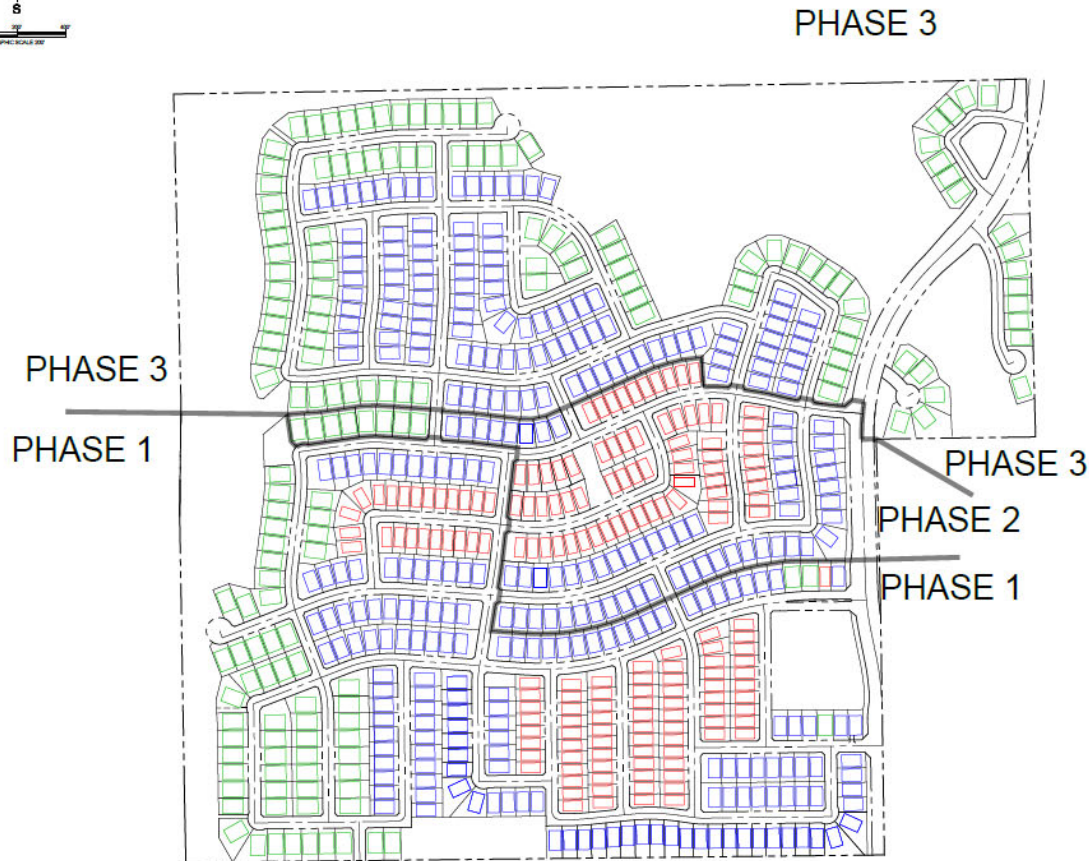




EXHIBIT C-2 – FINAL PLAT FOR MONTERRA PHASE 1B



EXHIBIT D – FINAL PLAT FOR MONTERRA PHASE 1B



Lot Type Summary

Phase 1			
50' x 120' - R-2 Lot Type	50	33.0%	
60' x 120' - R-2 Lot Type	149	48.3%	
70' x 125' - R-1 Lot Type	63	20.3%	
Total	310	100.0%	
Phase 2			
50' x 120' - R-2 Lot Type	66	50.0%	
60' x 120' - R-2 Lot Type	58	43.9%	
70' x 125' - R-1 Lot Type	8	6.1%	
Total	132	100.0%	
Phase 3			
50' x 120' - R-2 Lot Type	0	0.0%	
60' x 120' - R-2 Lot Type	130	52.0%	
70' x 125' - R-1 Lot Type	101	47.9%	
Total	231	100.0%	
Total Lot Count	653		

DESIGN DATA (50' LOTS):

1. MINIMUM LOT WIDTH: 50'
2. MINIMUM LOT DEPTH: 110'
3. PAD SIDE: 40' X 80'
4. FRONT SETBACK: 20' MIN.
5. REAR SETBACK: 20' MIN.
6. SIDE YARD SETBACK: 5' MIN., 10' STREET SIDE

DESIGN DATA (60' LOTS):

1. MINIMUM LOT WIDTH: 60'
2. MINIMUM LOT DEPTH: 110'
3. PAD SIDE: 40' X 80'
4. FRONT SETBACK: 20' MIN.
5. REAR SETBACK: 20' MIN.
6. SIDE YARD SETBACK: 5' MIN., 10' STREET SIDE

DESIGN DATA (70' LOTS):

1. MINIMUM LOT WIDTH: 70'
2. MINIMUM LOT DEPTH: 120'
3. PAD SIDE: 40' X 80'
4. FRONT SETBACK: 20' MIN.
5. REAR SETBACK: 20' MIN.
6. SIDE YARD SETBACK: 5' MIN., 10' STREET SIDE

Pad Map
MONTERRA
City of Fate, Texas
September, 2021

Kimley»Horn
400 N. Oklahoma Drive, Suite 105
Carmel, Texas 75006
409-501-2200
State of Texas Registration No. F-428
Contact: Anthony Lowth, P.E.

EXHIBIT D – BUYER DISCLOSURES

Buyer disclosures for the following Lot Types within Improvement Area #1 are found in this Exhibit:

- Improvement Area #1:
 - Lot Type 1 (50')
 - Lot Type 2 (60')
 - Lot Type 3 (70')
 - Improvement Area #1 Initial Parcel

[Remainder of page left intentionally blank.]

**MONTERRA PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 – LOT
TYPE 1 – BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 - LOT TYPE 1 PRINCIPAL ASSESSMENT: \$31,255.46

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Monterra 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 - LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2024	\$ 668.67	\$ 1,174.62	\$ 156.28	\$ -	\$ 134.31	\$ 2,133.88
2025	\$ 687.77	\$ 1,156.23	\$ 152.93	\$ -	\$ 137.00	\$ 2,133.94
2026	\$ 706.88	\$ 1,137.32	\$ 149.50	\$ -	\$ 139.74	\$ 2,133.43
2027	\$ 725.98	\$ 1,117.88	\$ 145.96	\$ -	\$ 142.53	\$ 2,132.36
2028	\$ 750.55	\$ 1,093.38	\$ 142.33	\$ -	\$ 145.38	\$ 2,131.64
2029	\$ 775.11	\$ 1,068.05	\$ 138.58	\$ -	\$ 148.29	\$ 2,130.03
2030	\$ 802.40	\$ 1,041.89	\$ 134.70	\$ -	\$ 151.26	\$ 2,130.25
2031	\$ 829.69	\$ 1,014.81	\$ 130.69	\$ -	\$ 154.28	\$ 2,129.47
2032	\$ 856.99	\$ 986.80	\$ 126.54	\$ -	\$ 157.37	\$ 2,127.70
2033	\$ 889.74	\$ 954.67	\$ 122.26	\$ -	\$ 160.52	\$ 2,127.18
2034	\$ 925.22	\$ 921.30	\$ 117.81	\$ -	\$ 163.73	\$ 2,128.05
2035	\$ 960.70	\$ 886.61	\$ 113.18	\$ -	\$ 167.00	\$ 2,127.49
2036	\$ 996.18	\$ 850.58	\$ 108.38	\$ -	\$ 170.34	\$ 2,125.48
2037	\$ 1,034.39	\$ 813.22	\$ 103.40	\$ -	\$ 173.75	\$ 2,124.76
2038	\$ 1,072.60	\$ 774.43	\$ 98.23	\$ -	\$ 177.22	\$ 2,122.48
2039	\$ 1,116.27	\$ 734.21	\$ 92.86	\$ -	\$ 180.77	\$ 2,124.11
2040	\$ 1,157.21	\$ 692.35	\$ 87.28	\$ -	\$ 184.38	\$ 2,121.22
2041	\$ 1,203.60	\$ 648.96	\$ 81.50	\$ -	\$ 188.07	\$ 2,122.12
2042	\$ 1,250.00	\$ 603.82	\$ 75.48	\$ -	\$ 191.83	\$ 2,121.13
2043	\$ 1,301.86	\$ 553.82	\$ 69.23	\$ -	\$ 195.67	\$ 2,120.57
2044	\$ 1,353.71	\$ 501.75	\$ 62.72	\$ -	\$ 199.58	\$ 2,117.76
2045	\$ 1,411.03	\$ 447.60	\$ 55.95	\$ -	\$ 203.57	\$ 2,118.15
2046	\$ 1,468.34	\$ 391.16	\$ 48.89	\$ -	\$ 207.64	\$ 2,116.04
2047	\$ 1,528.38	\$ 332.42	\$ 41.55	\$ -	\$ 211.80	\$ 2,114.16
2048	\$ 1,593.89	\$ 271.29	\$ 33.91	\$ -	\$ 216.03	\$ 2,115.12
2049	\$ 1,659.39	\$ 207.53	\$ 25.94	\$ -	\$ 220.35	\$ 2,113.22
2050	\$ 1,727.62	\$ 141.16	\$ 17.64	\$ -	\$ 224.76	\$ 2,111.18
2051	\$ 1,801.31	\$ 72.05	\$ 9.01	\$ (1,873.36)	\$ 229.26	\$ 238.26
Total	\$ 31,255.46	\$ 20,589.91	\$ 2,642.73	\$ (1,873.36)	\$ 4,976.43	\$ 57,591.16

Footnotes:

[a] Interest is calculated at a 2.750%, 3.375%, 3.750%, and 4.000% rate for term bonds due in 2026, 2031, 2041 and 2051 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**MONTERRA PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 – LOT
TYPE 2 – BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 - LOT TYPE 2 PRINCIPAL ASSESSMENT: \$37,506.55

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Monterra 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 - LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2024	\$ 802.40	\$ 1,409.55	\$ 187.53	\$ -	\$ 161.17	\$ 2,560.65
2025	\$ 825.33	\$ 1,387.48	\$ 183.52	\$ -	\$ 164.40	\$ 2,560.73
2026	\$ 848.25	\$ 1,364.78	\$ 179.39	\$ -	\$ 167.69	\$ 2,560.12
2027	\$ 871.18	\$ 1,341.46	\$ 175.15	\$ -	\$ 171.04	\$ 2,558.83
2028	\$ 900.66	\$ 1,312.05	\$ 170.80	\$ -	\$ 174.46	\$ 2,557.97
2029	\$ 930.13	\$ 1,281.66	\$ 166.29	\$ -	\$ 177.95	\$ 2,556.03
2030	\$ 962.88	\$ 1,250.26	\$ 161.64	\$ -	\$ 181.51	\$ 2,556.30
2031	\$ 995.63	\$ 1,217.77	\$ 156.83	\$ -	\$ 185.14	\$ 2,555.37
2032	\$ 1,028.38	\$ 1,184.16	\$ 151.85	\$ -	\$ 188.84	\$ 2,553.24
2033	\$ 1,067.69	\$ 1,145.60	\$ 146.71	\$ -	\$ 192.62	\$ 2,552.61
2034	\$ 1,110.26	\$ 1,105.56	\$ 141.37	\$ -	\$ 196.47	\$ 2,553.67
2035	\$ 1,152.84	\$ 1,063.93	\$ 135.82	\$ -	\$ 200.40	\$ 2,552.99
2036	\$ 1,195.41	\$ 1,020.70	\$ 130.05	\$ -	\$ 204.41	\$ 2,550.57
2037	\$ 1,241.27	\$ 975.87	\$ 124.08	\$ -	\$ 208.50	\$ 2,549.71
2038	\$ 1,287.12	\$ 929.32	\$ 117.87	\$ -	\$ 212.67	\$ 2,546.98
2039	\$ 1,339.52	\$ 881.05	\$ 111.44	\$ -	\$ 216.92	\$ 2,548.93
2040	\$ 1,388.65	\$ 830.82	\$ 104.74	\$ -	\$ 221.26	\$ 2,545.46
2041	\$ 1,444.32	\$ 778.75	\$ 97.79	\$ -	\$ 225.68	\$ 2,546.55
2042	\$ 1,500.00	\$ 724.59	\$ 90.57	\$ -	\$ 230.20	\$ 2,545.36
2043	\$ 1,562.23	\$ 664.59	\$ 83.07	\$ -	\$ 234.80	\$ 2,544.69
2044	\$ 1,624.45	\$ 602.10	\$ 75.26	\$ -	\$ 239.50	\$ 2,541.31
2045	\$ 1,693.23	\$ 537.12	\$ 67.14	\$ -	\$ 244.29	\$ 2,541.78
2046	\$ 1,762.01	\$ 469.39	\$ 58.67	\$ -	\$ 249.17	\$ 2,539.24
2047	\$ 1,834.06	\$ 398.91	\$ 49.86	\$ -	\$ 254.16	\$ 2,536.99
2048	\$ 1,912.66	\$ 325.55	\$ 40.69	\$ -	\$ 259.24	\$ 2,538.14
2049	\$ 1,991.27	\$ 249.04	\$ 31.13	\$ -	\$ 264.42	\$ 2,535.86
2050	\$ 2,073.14	\$ 169.39	\$ 21.17	\$ -	\$ 269.71	\$ 2,533.42
2051	\$ 2,161.57	\$ 86.46	\$ 10.81	\$ (2,248.03)	\$ 275.11	\$ 285.91
Total	\$ 37,506.55	\$ 24,707.89	\$ 3,171.27	\$ (2,248.03)	\$ 5,971.72	\$ 69,109.39

Footnotes:

[a] Interest is calculated at a 2.750%, 3.375%, 3.750%, and 4.000% rate for term bonds due in 2026, 2031, 2041 and 2051 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**MONTERRA PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 – LOT
TYPE 3– BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 – LOT TYPE 3 PRINCIPAL ASSESSMENT: \$43,757.64

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Monterra 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 – LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2024	\$ 936.14	\$ 1,644.47	\$ 218.79	\$ -	\$ 188.04	\$ 2,987.43
2025	\$ 962.88	\$ 1,618.73	\$ 214.11	\$ -	\$ 191.80	\$ 2,987.51
2026	\$ 989.63	\$ 1,592.25	\$ 209.29	\$ -	\$ 195.63	\$ 2,986.80
2027	\$ 1,016.38	\$ 1,565.03	\$ 204.34	\$ -	\$ 199.55	\$ 2,985.30
2028	\$ 1,050.76	\$ 1,530.73	\$ 199.26	\$ -	\$ 203.54	\$ 2,984.29
2029	\$ 1,085.15	\$ 1,495.27	\$ 194.01	\$ -	\$ 207.61	\$ 2,982.04
2030	\$ 1,123.36	\$ 1,458.64	\$ 188.58	\$ -	\$ 211.76	\$ 2,982.35
2031	\$ 1,161.57	\$ 1,420.73	\$ 182.97	\$ -	\$ 216.00	\$ 2,981.26
2032	\$ 1,199.78	\$ 1,381.53	\$ 177.16	\$ -	\$ 220.32	\$ 2,978.78
2033	\$ 1,245.63	\$ 1,336.53	\$ 171.16	\$ -	\$ 224.72	\$ 2,978.05
2034	\$ 1,295.31	\$ 1,289.82	\$ 164.93	\$ -	\$ 229.22	\$ 2,979.28
2035	\$ 1,344.98	\$ 1,241.25	\$ 158.46	\$ -	\$ 233.80	\$ 2,978.48
2036	\$ 1,394.65	\$ 1,190.81	\$ 151.73	\$ -	\$ 238.48	\$ 2,975.67
2037	\$ 1,448.14	\$ 1,138.51	\$ 144.76	\$ -	\$ 243.25	\$ 2,974.66
2038	\$ 1,501.64	\$ 1,084.21	\$ 137.52	\$ -	\$ 248.11	\$ 2,971.47
2039	\$ 1,562.77	\$ 1,027.90	\$ 130.01	\$ -	\$ 253.07	\$ 2,973.75
2040	\$ 1,620.09	\$ 969.29	\$ 122.19	\$ -	\$ 258.13	\$ 2,969.71
2041	\$ 1,685.04	\$ 908.54	\$ 114.09	\$ -	\$ 263.30	\$ 2,970.97
2042	\$ 1,750.00	\$ 845.35	\$ 105.67	\$ -	\$ 268.56	\$ 2,969.58
2043	\$ 1,822.60	\$ 775.35	\$ 96.92	\$ -	\$ 273.93	\$ 2,968.80
2044	\$ 1,895.20	\$ 702.45	\$ 87.81	\$ -	\$ 279.41	\$ 2,964.86
2045	\$ 1,975.44	\$ 626.64	\$ 78.33	\$ -	\$ 285.00	\$ 2,965.41
2046	\$ 2,055.68	\$ 547.62	\$ 68.45	\$ -	\$ 290.70	\$ 2,962.45
2047	\$ 2,139.74	\$ 465.39	\$ 58.17	\$ -	\$ 296.52	\$ 2,959.82
2048	\$ 2,231.44	\$ 379.80	\$ 47.48	\$ -	\$ 302.45	\$ 2,961.17
2049	\$ 2,323.14	\$ 290.55	\$ 36.32	\$ -	\$ 308.49	\$ 2,958.50
2050	\$ 2,418.67	\$ 197.62	\$ 24.70	\$ -	\$ 314.66	\$ 2,955.66
2051	\$ 2,521.83	\$ 100.87	\$ 12.61	\$ (2,622.71)	\$ 320.96	\$ 333.57
Total	\$ 43,757.64	\$ 28,825.87	\$ 3,699.82	\$ (2,622.71)	\$ 6,967.00	\$ 80,627.62

Footnotes:

[a] Interest is calculated at a 2.750%, 3.375%, 3.750%, and 4.000% rate for term bonds due in 2026, 2031, 2041 and 2051 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

MONTERRA PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 – INITIAL PARCEL – BUYER DISCLOSURE

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**IMPROVEMENT AREA #1 – INITIAL PARCEL PRINCIPAL ASSESSMENT:
\$11,452,000.00**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Monterra 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 – INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2024	\$ 245,000.00	\$ 430,381.26	\$ 57,260.00	\$ -	\$ 49,212.00	\$ 781,853.26
2025	\$ 252,000.00	\$ 423,643.76	\$ 56,035.00	\$ -	\$ 50,196.24	\$ 781,875.00
2026	\$ 259,000.00	\$ 416,713.76	\$ 54,775.00	\$ -	\$ 51,200.16	\$ 781,688.92
2027	\$ 266,000.00	\$ 409,591.26	\$ 53,480.00	\$ -	\$ 52,224.17	\$ 781,295.43
2028	\$ 275,000.00	\$ 400,613.76	\$ 52,150.00	\$ -	\$ 53,268.65	\$ 781,032.41
2029	\$ 284,000.00	\$ 391,332.50	\$ 50,775.00	\$ -	\$ 54,334.02	\$ 780,441.52
2030	\$ 294,000.00	\$ 381,747.50	\$ 49,355.00	\$ -	\$ 55,420.70	\$ 780,523.20
2031	\$ 304,000.00	\$ 371,825.00	\$ 47,885.00	\$ -	\$ 56,529.12	\$ 780,239.12
2032	\$ 314,000.00	\$ 361,565.00	\$ 46,365.00	\$ -	\$ 57,659.70	\$ 779,589.70
2033	\$ 326,000.00	\$ 349,790.00	\$ 44,795.00	\$ -	\$ 58,812.90	\$ 779,397.90
2034	\$ 339,000.00	\$ 337,565.00	\$ 43,165.00	\$ -	\$ 59,989.15	\$ 779,719.15
2035	\$ 352,000.00	\$ 324,852.50	\$ 41,470.00	\$ -	\$ 61,188.94	\$ 779,511.44
2036	\$ 365,000.00	\$ 311,652.50	\$ 39,710.00	\$ -	\$ 62,412.72	\$ 778,775.22
2037	\$ 379,000.00	\$ 297,965.00	\$ 37,885.00	\$ -	\$ 63,660.97	\$ 778,510.97
2038	\$ 393,000.00	\$ 283,752.50	\$ 35,990.00	\$ -	\$ 64,934.19	\$ 777,676.69
2039	\$ 409,000.00	\$ 269,015.00	\$ 34,025.00	\$ -	\$ 66,232.87	\$ 778,272.87
2040	\$ 424,000.00	\$ 253,677.50	\$ 31,980.00	\$ -	\$ 67,557.53	\$ 777,215.03
2041	\$ 441,000.00	\$ 237,777.50	\$ 29,860.00	\$ -	\$ 68,908.68	\$ 777,546.18
2042	\$ 458,000.00	\$ 221,240.00	\$ 27,655.00	\$ -	\$ 70,286.85	\$ 777,181.85
2043	\$ 477,000.00	\$ 202,920.00	\$ 25,365.00	\$ -	\$ 71,692.59	\$ 776,977.59
2044	\$ 496,000.00	\$ 183,840.00	\$ 22,980.00	\$ -	\$ 73,126.44	\$ 775,946.44
2045	\$ 517,000.00	\$ 164,000.00	\$ 20,500.00	\$ -	\$ 74,588.97	\$ 776,088.97
2046	\$ 538,000.00	\$ 143,320.00	\$ 17,915.00	\$ -	\$ 76,080.75	\$ 775,315.75
2047	\$ 560,000.00	\$ 121,800.00	\$ 15,225.00	\$ -	\$ 77,602.37	\$ 774,627.37
2048	\$ 584,000.00	\$ 99,400.00	\$ 12,425.00	\$ -	\$ 79,154.41	\$ 774,979.41
2049	\$ 608,000.00	\$ 76,040.00	\$ 9,505.00	\$ -	\$ 80,737.50	\$ 774,282.50
2050	\$ 633,000.00	\$ 51,720.00	\$ 6,465.00	\$ -	\$ 82,352.25	\$ 773,537.25
2051	\$ 660,000.00	\$ 26,400.00	\$ 3,300.00	\$ (686,400.00)	\$ 83,999.30	\$ 87,299.30
Total	\$ 11,452,000.00	\$ 7,544,141.30	\$ 968,295.00	\$ (686,400.00)	\$ 1,823,364.16	\$ 21,101,400.46

Footnotes:

[a] Interest is calculated at a 2.750%, 3.375%, 3.750%, and 4.000% rate for term bonds due in 2026, 2031, 2041 and 2051 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.



To: Honorable Mayor & City Council

From: Michael Kovacs, City Manager

Raju Anthony, Finance Director

Date: August 21, 2023

Agenda Item & Caption: Consider And Act On Approving The Williamsburg East Public Improvement District 2023 Annual Service Plan Update Dated August 21, 2023, Including The Collection Of The Annual Installment Due January 31, 2024.

Action Requested: Approving the Williamsburg East Public Improvement District 2023 Annual Service Plan Update dated August 21, 2023, including the collection of the Annual Installment due January 31, 2024.

Overview and Background:

Party(ies) responsible for placing this item on agenda: Michael Kovacs, City Manager.

The Public Improvement District Act, Texas Local Government Code, Chapter 372 authorizes the City Council to create a Public Improvement District within the City. Accordingly, the Williamsburg East Public Improvement District was created on July 6, 2020, by Resolution No. R-2020-043. On October 19, 2020, the City Council approved Ordinance No. O-2020-029, which adopted the Service and Assessment Plan for the District. On August 15, 2022, the City Council approved Resolution No. R-2022-058, amending the creation resolution to increase the estimated costs of the Authorized Improvements. On September 6, 2022, the City Council approved Ordinance No. O-2022-031, which serves to amend and restate the 2020 Service and Assessment Plan.

The PID Act requires that the Service and Assessment Plan be reviewed and updated annually for the purpose of determining the annual budget for improvements, and to make any other needed modifications to the Service and Assessment Plan and/or the Assessments Rolls.

Financial Considerations: N/A

Supporting Documents:

- Ordinance with 2023 Annual Service Plan Update

CITY OF FATE

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF FATE APPROVING THE 2023 ANNUAL SERVICE PLAN UPDATE AND 2023 ASSESSMENT ROLL FOR PUBLIC IMPROVEMENTS FOR THE WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Fate, Texas (the "City") is authorized under Chapter 372 of the Texas Local Government Code, as amended (the "Act"), to create a public improvement district within its corporate limits; and

WHEREAS, on July 6, 2020, the City Council passed and adopted Resolution No. 2020-043 which authorized the Williamsburg East Public Improvement District (the "District") in accordance with the City Council's findings as to the advisability of the public improvement projects described in the Petition and as to the advisability of creating the District; and

WHEREAS, on October 19, 2020, the City Council approved Ordinance No. O-2020-029, and the Service and Assessment Plan for the District (the "2020 Service and Assessment Plan"), adopting an Assessment Roll; and

WHEREAS, On August 15, 2022, The City Council passed and adopted Resolution No. R-2022-058, which served to amend the creation resolution, that increased the estimated costs of the Authorized Improvements for the District; and

WHEREAS, on September 6, 2022, the City Council approved Ordinance No. O-2022-031 and the 2022 Amended and Restated Service and Assessment Plan (the "2022 Plan") which served to amend and restate in its entirety the 2020 Service and Assessment Plan; and

WHEREAS, pursuant to Section 371.013 of the Act, the Service and Assessment Plan must cover a period of at least five years and must also define the annual indebtedness and projected costs for improvements and such Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for improvements; and

WHEREAS, the City requires that an update to the Service and Assessment Plan and the Assessment Rolls for the District for 2023 (the "2023 Annual Service Plan Update") be prepared, setting forth the annual budget for improvements and the annual installment for assessed properties in the District, and the City now desires to approve such 2023 Annual Service Plan Update; and

WHEREAS, the updated 2023 Annual Service Plan Update has been reviewed by the City Attorney for legal form and accuracy.

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

SECTION 1. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

SECTION 2. Terms not otherwise defined herein are defined in 2023 Annual Service Plan Update attached hereto as **Exhibit A**.

SECTION 3. The 2023 Annual Service Plan Update is hereby approved and accepted by the City Council.

SECTION 4. If any provision, section, subsection, sentence , clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affect thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion here, and all provisions of this Ordinance are declared to be severable for that purpose.

SECTION 5. The City Secretary is directed to cause a copy of this Ordinance, including the 2023 Annual Service Plan Update, to be recorded in the real property records of the County on or before August 28, 2023. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

SECTION 6. This Ordinance shall take effect from and after its final date of passage, and it is accordingly so ordered.

PASSED AND APPROVED by the City Council of the City of Fate, Texas, the 21st day of August 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC, City Secretary

Exhibit A

2023 Annual Service Plan Update

[Remainder of page left intentionally blank.]



WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT 2023 ANNUAL SERVICE PLAN UPDATE

AUGUST 21, 2023

INTRODUCTION

Capitalized terms used in this 2023 Annual Service Plan Update shall have the meanings set forth in the Williamsburg East Public Improvement District 2022 Amended and Restated Service and Assessment Plan (the “2022 SAP”), and any and all subsequent Annual Service Plan Updates approved after the 2022 SAP.

The District was created pursuant to the PID Act by Resolution No. 2020-043 on July 6, 2020, by the City Council to finance certain Authorized Improvements for the benefit of the property in the District.

On October 19, 2020, the City Council approved the 2020 Service and Assessment Plan for the District by adopting Ordinance No. O-2020-029, which approved the levy of Assessments for Assessed Property within the District and approved the Assessment Roll.

On July 6, 2021, the City Council approved the 2021 Annual Service Plan Update for the District by adopting Ordinance No. O-2021-023, which updated the Improvement Area #1 Assessment Roll and the Major Improvement Area Assessment Roll for 2021.

On August 15, 2022, the City Council of the City passed and approved Resolution No. R-2022-058, amending the creation resolution to increase the estimated costs of the Authorized Improvements for the Williamsburg East Public Improvement District.

On September 6, 2022, the City Council approved the 2022 SAP for the District by adopting Ordinance No. O-2022-031, which serves to amend and restate the 2020 Service and Assessment Plan, in its entirety for the purposes of (1) levying the Improvement Area #2 Assessments, (2) issuing the Improvement Area #2 Bonds, and (3) updating the Improvement Area #1 Assessment Roll, Major Improvement Area Assessment Roll, and Improvement Area #2 Assessment Roll.

The 2022 SAP identified the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. Pursuant to the PID Act, the 2022 SAP must be reviewed and updated annually. This document is the Annual Service Plan Update for 2023.

The City Council also adopted an Assessment Roll identifying the Assessments on each Lot within the District, based on the method of assessment identified in the 2022 SAP. This 2023 Annual Service Plan Update also updates the Assessment Roll for 2023.

PARCEL SUBDIVISION

Improvement Area #1

The final plat of Edgewater Phase 1, attached hereto as **Exhibit C**, was filed and recorded with the County on Jul 10, 2022, and consists of 154 residential Lots and 12 Lots classified as Non-Benefitted Property.

Major Improvement Area

There have not been any recorded plats in the Williamsburg East Major Improvement Area.

Improvement Area #2

There have not been any recorded plats in the Williamsburg East Improvement Area #2.

See **Exhibit D** for the Lot Type classification map.

LOT AND HOME SALES

Improvement Area #1

Per the Quarterly Report dated March 31, 2023, a total of 36 homes have been built, an additional 42 homes are under construction, and 15 homes have been sold to end-users. All homes in Improvement Area #1 are expected to be completed by the first quarter of 2024.

Major Improvement Area

Per the Quarterly Report dated March 31, 2023, no Lots have been sold, and construction has not started on any homes. All homes in the Major Improvement Area are expected to be completed by the second quarter of 2025.

Improvement Area #2

Per the Quarterly Report dated March 31, 2023, no Lots have been sold, and construction has not started on any homes. All homes in the Major Improvement Area are expected to be completed by the second quarter of 2025.

See **Exhibit E** for buyer disclosures.

AUTHORIZED IMPROVEMENTS

Improvement Area #1

The Developer has completed the Authorized Improvements listed in the 2022 SAP and they were dedicated to the City in the 2nd Quarter of 2022.

Major Improvement Area

The Developer has completed the Authorized Improvements listed in the 2022 SAP and they were dedicated to the City in the 2nd Quarter of 2022.

Improvement Area #2

Per the Quarterly Report dated March 31, 2023, the Authorized improvements built with phase 2 of Improvement Area #2 listed in the 2022 SAP for the Williamsburg East Improvement Area #2 are currently under construction and projected to be completed in the 4th quarter of 2023. The remainder of the Improvement Area #2 Authorized Improvements within phases 3& 4 are not currently under construction but are estimated to be complete in the 4th quarter of 2024. The budget for the Authorized Improvements remains unchanged as shown on the table below.

Improvement Area #2					
Authorized Improvements	Total Budget ^[a]	Actual Costs Drawn from Improvement Area #1 Improvement Account ^[b]	Actual Costs Financed with Sources Other Than Bond Proceeds ^[b]	Percent Complete	
Improvement Area #1 Improvements					
Street and Alley Paving	\$ 5,677,179.00	\$ 203,584.03	\$ -	3.59%	
Water	1,786,017.00	746,914.54	-	41.82%	
Sewer	2,296,068.00	1,267,291.45	-	55.19%	
Drainage	2,683,087.00	669,128.36	-	24.94%	
Soft Costs	1,774,553.00	1,317,789.11	-	74.26%	
Total	\$ 14,216,904.00	\$ 4,204,707.49	\$ -	29.58%	
Footnotes:					
[a] Per Amended and Restated Service and Assessment Plan. Does not include costs to be funded through impact fees.					
[b] Per Owner's Quarterly Report dated 3/31/2023.					

OUTSTANDING ASSESSMENT

Improvement Area #1

The Williamsburg East Improvement Area #1 has an outstanding Assessment of \$4,110,000.00¹.

¹ Net of \$96,000.00 Improvement Area #1 Bonds principal payment due August 15, 2024, which will be paid using the Annual Installment collected on January 31, 2024.

Major Improvement Area

The Williamsburg East Major Improvement Area has an outstanding Assessment of \$3,526,000.00².

Improvement Area #2

The Williamsburg East Improvement Area #2 has an outstanding Assessment of \$16,388,000.00.

ANNUAL INSTALLMENT DUE 1/31/2024

Improvement Area #1

- **Principal and Interest³** – The total principal and interest required for the Annual Installment is \$257,052.50.
- **Additional Interest** – The total Delinquency and Prepayment Reserve Requirement, as defined in the Indenture, is equal to \$226,050.00, and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the outstanding Assessment, resulting in an Additional Interest amount due of \$20,550.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment is \$17,761.31, as shown below.

Annual Collection Costs Breakdown Improvement Area #1		
Administration	\$	10,798.89
Filing Fees	\$	173.84
County Collection	\$	114.74
Miscellaneous	\$	173.84
PID Trustee	\$	3,000.00
Dissemination Agent	\$	3,500.00
Total Annual Collection Costs	\$	17,761.31

² Net of \$74,000.00 Improvement Area #1 Bonds principal payment due August 15, 2024, which will be paid using the Annual Installment collected on January 31, 2024.

³ The Annual Installment covers the period August 15, 2023, to August 14, 2024 and is due by January 31, 2024.

Improvement Area #1	
Due January 31, 2024	
Principal	\$ 98,000.00
Interest	\$ 159,052.50
Annual Collection Costs	\$ 17,761.31
Additional Interest	\$ 20,550.00
Total Annual Installment	\$ 295,363.81

See **Exhibit B-1** for the debt service schedule for the Improvement Area #1 Bonds as shown in the limited offering memorandum.

Major Improvement Area

- **Principal and Interest⁴** – The total principal and interest required for the Annual Installment is \$240,552.50.
- **Additional Interest** – The total Delinquency and Prepayment Reserve Requirement, as defined in the Indenture, is equal to \$193,930.00, and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the outstanding Assessment, resulting in an Additional Interest amount due of \$17,630.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Special Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment is \$50,377.91, as shown below.

Annual Collection Costs Breakdown Major Improvement Area	
Administration	\$ 42,076.13
Filing Fees	\$ 677.36
County Collection	\$ 447.06
Miscellaneous	\$ 677.36
PID Trustee	\$ 3,000.00
Dissemination Agent	\$ 3,500.00
Total Annual Collection Costs	\$ 50,377.91

⁴ The Annual Installment covers the period August 15, 2023, to August 14, 2024, and is due by January 31, 2024.

Major Improvement Area		
Due January 31, 2024		
Principal	\$	76,000.00
Interest	\$	164,552.50
Annual Collection Costs	\$	50,377.91
Additional Interest	\$	17,630.00
Total Annual Installment	\$	308,560.41

See **Exhibit B-2** for the debt service schedule for the Major Improvement Area Bonds as shown in the limited offering memorandum.

Improvement Area #2

- ***Principal and Interest***⁵ – The total principal and interest required for the Annual Installment is \$1,182,471.26.
- ***Additional Interest*** – The total Delinquency and Prepayment Reserve Requirement, as defined in the Indenture, is equal to \$901,340.00, and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the outstanding Assessment, resulting in an Additional Interest amount due of \$81,940.00.
- ***Annual Collection Costs*** – The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Special Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment is \$16,138.80, as shown below.

Annual Collection Costs Breakdown Improvement Area #2		
Administration	\$	9,242.99
Filing Fees	\$	148.80
County Collection	\$	98.21
Miscellaneous	\$	148.80
PID Trustee	\$	3,000.00
Dissemination Agent	\$	3,500.00
Total Annual Collection Costs	\$	16,138.80

⁵ The Annual Installment covers the period August 15, 2023, to August 14, 2024, and is due by January 31, 2024.

Improvement Area #2	
Due January 31, 2024	
Principal	\$ 228,000.00
Interest	\$ 954,471.26
Annual Collection Costs	\$ 16,138.80
Additional Interest	\$ 81,940.00
Total Annual Installment	\$ 1,280,550.06

See **Exhibit B-3** for the debt service schedule for the Improvement Area #2 Bonds as shown in the limited offering memorandum.

PREPAYMENT OF ASSESSMENTS IN FULL

Improvement Area #1

No full prepayments of Assessments have occurred within Improvement Area #1.

Major Improvement Area

No full prepayments of Assessments have occurred within the Major Improvement Area.

Improvement Area #2

No full prepayments of Assessments have occurred within Improvement Area #2.

PARTIAL PREPAYMENT OF ASSESSMENTS

Improvement Area #1

No partial prepayments of Assessments have occurred within Improvement Area #1.

Major Improvement Area

No partial prepayments of Assessments have occurred within the Major Improvement Area.

Improvement Area #2

No partial prepayments of Assessments have occurred within Improvement Area #2.

EXTRAORDINARY OPTIONAL REDEMPTIONS

Improvement Area #1

No extraordinary optional redemptions have occurred within Improvement Area #1.

Major Improvement Area

No extraordinary optional redemptions have occurred within the Major Improvement Area.

Improvement Area #2

No extraordinary optional redemptions have occurred within Improvement Area #2.

SERVICE PLAN – FIVE YEAR BUDGET FORECAST

The PID Act requires the annual indebtedness and projected costs for the improvements to be reviewed and updated in the Annual Service Plan Update, and the projection shall cover a period of not less than five years.

Improvement Area #1						
Annual Installments Due	1/31/2024	1/31/2025	1/31/2026	1/31/2027	1/31/2028	
Principal	\$ 98,000.00	\$ 100,000.00	\$ 102,000.00	\$ 105,000.00	\$ 108,000.00	
Interest	159,052.50	156,480.00	153,855.00	150,412.50	146,868.76	
(1)	\$ 257,052.50	\$ 256,480.00	\$ 255,855.00	\$ 255,412.50	\$ 254,868.76	
Additional Interest	(2) \$ 20,550.00	\$ 20,060.00	\$ 19,560.00	\$ 19,050.00	\$ 18,525.00	
Annual Collection Costs	(3) \$ 17,761.31	\$ 18,116.54	\$ 18,478.87	\$ 18,848.44	\$ 19,225.41	
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 295,363.81	\$ 294,656.54	\$ 293,893.87	\$ 293,310.94	\$ 292,619.17

Major Improvement Area						
Annual Installments Due	1/31/2024	1/31/2025	1/31/2026	1/31/2027	1/31/2028	
Principal	\$ 76,000.00	\$ 79,000.00	\$ 82,000.00	\$ 84,000.00	\$ 87,000.00	
Interest	164,552.50	161,417.50	158,158.76	154,776.26	151,311.26	
(1)	\$ 240,552.50	\$ 240,417.50	\$ 240,158.76	\$ 238,776.26	\$ 238,311.26	
Additional Interest	(2) \$ 17,630.00	\$ 17,250.00	\$ 16,855.00	\$ 16,445.00	\$ 16,025.00	
Annual Collection Costs	(3) \$ 50,377.91	\$ 51,385.47	\$ 52,413.18	\$ 53,461.44	\$ 54,530.67	
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 308,560.41	\$ 309,052.97	\$ 309,426.94	\$ 308,682.70	\$ 308,866.93

Improvement Area #2					
Annual Installments Due	1/31/2024	1/31/2025	1/31/2026	1/31/2027	1/31/2028
Principal	\$ 228,000.00	\$ 239,000.00	\$ 251,000.00	\$ 265,000.00	\$ 279,000.00
Interest	954,471.26	943,356.26	931,705.00	919,468.76	906,550.00
(1)	\$ 1,182,471.26	\$ 1,182,356.26	\$ 1,182,705.00	\$ 1,184,468.76	\$ 1,185,550.00
Additional Interest	(2) \$ 81,940.00	\$ 80,800.00	\$ 79,605.00	\$ 78,350.00	\$ 77,025.00
Annual Collection Costs	(3) \$ 16,138.80	\$ 16,461.58	\$ 16,790.81	\$ 17,126.62	\$ 17,469.16
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 1,280,550.06	\$ 1,279,617.84	\$ 1,279,100.81	\$ 1,279,945.38
		\$ 1,280,044.16			

ASSESSMENT ROLL

The list of current Lots within the District, the corresponding total Assessments, and current Annual Installment are shown on the Improvement Area #1, Major Improvement Area, and Improvement Area #2 Assessment Rolls attached hereto as **Exhibit A-1**, **Exhibit A-2**, and **Exhibit A-3**, respectively. The Parcels or Lots shown on the Assessment Rolls will receive the bills for the 2023 Annual Installments which will be delinquent if not paid by January 31, 2024.

EXHIBIT A-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2024 ^[b]
118291	3	\$ 29,110.59	\$ 2,092.02
118292	3	\$ 29,110.59	\$ 2,092.02
118293	3	\$ 29,110.59	\$ 2,092.02
118294	3	\$ 29,110.59	\$ 2,092.02
118295	3	\$ 29,110.59	\$ 2,092.02
118296	3	\$ 29,110.59	\$ 2,092.02
118297	3	\$ 29,110.59	\$ 2,092.02
118298	3	\$ 29,110.59	\$ 2,092.02
118299	3	\$ 29,110.59	\$ 2,092.02
118300	3	\$ 29,110.59	\$ 2,092.02
118301	3	\$ 29,110.59	\$ 2,092.02
118302	3	\$ 29,110.59	\$ 2,092.02
118303	Non-Benefitted	\$ -	\$ -
118304	3	\$ 29,110.59	\$ 2,092.02
118305	3	\$ 29,110.59	\$ 2,092.02
118306	3	\$ 29,110.59	\$ 2,092.02
118307	3	\$ 29,110.59	\$ 2,092.02
118308	3	\$ 29,110.59	\$ 2,092.02
118309	3	\$ 29,110.59	\$ 2,092.02
118310	3	\$ 29,110.59	\$ 2,092.02
118311	3	\$ 29,110.59	\$ 2,092.02
118312	3	\$ 29,110.59	\$ 2,092.02
118313	3	\$ 29,110.59	\$ 2,092.02
118314	Non-Benefitted	\$ -	\$ -
118315	3	\$ 29,110.59	\$ 2,092.02
118316	3	\$ 29,110.59	\$ 2,092.02
118317	3	\$ 29,110.59	\$ 2,092.02
118318	3	\$ 29,110.59	\$ 2,092.02
118319	3	\$ 29,110.59	\$ 2,092.02
118320	3	\$ 29,110.59	\$ 2,092.02
118321	3	\$ 29,110.59	\$ 2,092.02
118322	3	\$ 29,110.59	\$ 2,092.02
118323	3	\$ 29,110.59	\$ 2,092.02
118324	3	\$ 29,110.59	\$ 2,092.02
118325	3	\$ 29,110.59	\$ 2,092.02
118326	3	\$ 29,110.59	\$ 2,092.02
118327	Non-Benefitted	\$ -	\$ -
118328	2	\$ 27,031.27	\$ 1,942.59
118329	2	\$ 27,031.27	\$ 1,942.59
118330	2	\$ 27,031.27	\$ 1,942.59

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2024 ^[b]
118331	2	\$ 27,031.27	\$ 1,942.59
118332	2	\$ 27,031.27	\$ 1,942.59
118333	2	\$ 27,031.27	\$ 1,942.59
118334	2	\$ 27,031.27	\$ 1,942.59
118335	Non-Benefitted	\$ -	\$ -
118336	2	\$ 27,031.27	\$ 1,942.59
118337	2	\$ 27,031.27	\$ 1,942.59
118338	2	\$ 27,031.27	\$ 1,942.59
118339	2	\$ 27,031.27	\$ 1,942.59
118340	Non-Benefitted	\$ -	\$ -
118341	1	\$ 23,288.48	\$ 1,673.62
118342	1	\$ 23,288.48	\$ 1,673.62
118343	1	\$ 23,288.48	\$ 1,673.62
118344	1	\$ 23,288.48	\$ 1,673.62
118345	1	\$ 23,288.48	\$ 1,673.62
118346	1	\$ 23,288.48	\$ 1,673.62
118347	1	\$ 23,288.48	\$ 1,673.62
118348	1	\$ 23,288.48	\$ 1,673.62
118349	1	\$ 23,288.48	\$ 1,673.62
118350	1	\$ 23,288.48	\$ 1,673.62
118351	1	\$ 23,288.48	\$ 1,673.62
118352	1	\$ 23,288.48	\$ 1,673.62
118353	1	\$ 23,288.48	\$ 1,673.62
118354	1	\$ 23,288.48	\$ 1,673.62
118355	1	\$ 23,288.48	\$ 1,673.62
118356	1	\$ 23,288.48	\$ 1,673.62
118357	1	\$ 23,288.48	\$ 1,673.62
118358	1	\$ 23,288.48	\$ 1,673.62
118359	1	\$ 23,288.48	\$ 1,673.62
118361	2	\$ 27,031.27	\$ 1,942.59
118362	2	\$ 27,031.27	\$ 1,942.59
118363	2	\$ 27,031.27	\$ 1,942.59
118364	2	\$ 27,031.27	\$ 1,942.59
118365	Non-Benefitted	\$ -	\$ -
118366	Non-Benefitted	\$ -	\$ -
118367	1	\$ 23,288.48	\$ 1,673.62
118368	1	\$ 23,288.48	\$ 1,673.62
118369	1	\$ 23,288.48	\$ 1,673.62
118370	1	\$ 23,288.48	\$ 1,673.62
118371	1	\$ 23,288.48	\$ 1,673.62

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2024 ^[b]
118372	1	\$ 23,288.48	\$ 1,673.62
118373	1	\$ 23,288.48	\$ 1,673.62
118374	1	\$ 23,288.48	\$ 1,673.62
118375	1	\$ 23,288.48	\$ 1,673.62
118376	1	\$ 23,288.48	\$ 1,673.62
118377	1	\$ 23,288.48	\$ 1,673.62
118378	1	\$ 23,288.48	\$ 1,673.62
118379	1	\$ 23,288.48	\$ 1,673.62
118380	1	\$ 23,288.48	\$ 1,673.62
118381	1	\$ 23,288.48	\$ 1,673.62
118382	1	\$ 23,288.48	\$ 1,673.62
118383	1	\$ 23,288.48	\$ 1,673.62
118384	1	\$ 23,288.48	\$ 1,673.62
118385	1	\$ 23,288.48	\$ 1,673.62
118386	1	\$ 23,288.48	\$ 1,673.62
118387	1	\$ 23,288.48	\$ 1,673.62
118388	1	\$ 23,288.48	\$ 1,673.62
118389	1	\$ 23,288.48	\$ 1,673.62
118390	1	\$ 23,288.48	\$ 1,673.62
118391	Non-Benefitted	\$ -	\$ -
118392	2	\$ 27,031.27	\$ 1,942.59
118393	2	\$ 27,031.27	\$ 1,942.59
118394	2	\$ 27,031.27	\$ 1,942.59
118395	2	\$ 27,031.27	\$ 1,942.59
118396	2	\$ 27,031.27	\$ 1,942.59
118397	Non-Benefitted	\$ -	\$ -
118398	2	\$ 27,031.27	\$ 1,942.59
118399	2	\$ 27,031.27	\$ 1,942.59
118400	2	\$ 27,031.27	\$ 1,942.59
118401	2	\$ 27,031.27	\$ 1,942.59
118402	2	\$ 27,031.27	\$ 1,942.59
118403	2	\$ 27,031.27	\$ 1,942.59
118404	2	\$ 27,031.27	\$ 1,942.59
118405	2	\$ 27,031.27	\$ 1,942.59
118406	2	\$ 27,031.27	\$ 1,942.59
118407	2	\$ 27,031.27	\$ 1,942.59
118408	2	\$ 27,031.27	\$ 1,942.59
118409	2	\$ 27,031.27	\$ 1,942.59
118410	2	\$ 27,031.27	\$ 1,942.59
118411	2	\$ 27,031.27	\$ 1,942.59

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2024 ^[b]
118412	2	\$ 27,031.27	\$ 1,942.59
118413	2	\$ 27,031.27	\$ 1,942.59
118414	2	\$ 27,031.27	\$ 1,942.59
118415	2	\$ 27,031.27	\$ 1,942.59
118416	2	\$ 27,031.27	\$ 1,942.59
118417	2	\$ 27,031.27	\$ 1,942.59
118418	2	\$ 27,031.27	\$ 1,942.59
118419	2	\$ 27,031.27	\$ 1,942.59
118420	2	\$ 27,031.27	\$ 1,942.59
118421	2	\$ 27,031.27	\$ 1,942.59
118422	2	\$ 27,031.27	\$ 1,942.59
118423	2	\$ 27,031.27	\$ 1,942.59
118424	2	\$ 27,031.27	\$ 1,942.59
118425	2	\$ 27,031.27	\$ 1,942.59
118426	2	\$ 27,031.27	\$ 1,942.59
118427	2	\$ 27,031.27	\$ 1,942.59
118428	2	\$ 27,031.27	\$ 1,942.59
118429	2	\$ 27,031.27	\$ 1,942.59
118430	2	\$ 27,031.27	\$ 1,942.59
118431	2	\$ 27,031.27	\$ 1,942.59
118432	2	\$ 27,031.27	\$ 1,942.59
118433	2	\$ 27,031.27	\$ 1,942.59
118434	2	\$ 27,031.27	\$ 1,942.59
118435	2	\$ 27,031.27	\$ 1,942.59
118436	2	\$ 27,031.27	\$ 1,942.59
118437	3	\$ 29,110.59	\$ 2,092.02
118438	3	\$ 29,110.59	\$ 2,092.02
118439	3	\$ 29,110.59	\$ 2,092.02
118440	3	\$ 29,110.59	\$ 2,092.02
118441	3	\$ 29,110.59	\$ 2,092.02
118442	3	\$ 29,110.59	\$ 2,092.02
118443	3	\$ 29,110.59	\$ 2,092.02
118444	3	\$ 29,110.59	\$ 2,092.02
118445	3	\$ 29,110.59	\$ 2,092.02
118446	3	\$ 29,110.59	\$ 2,092.02
118447	3	\$ 29,110.59	\$ 2,092.02
118448	3	\$ 29,110.59	\$ 2,092.02
118449	3	\$ 29,110.59	\$ 2,092.02
118450	3	\$ 29,110.59	\$ 2,092.02
118451	3	\$ 29,110.59	\$ 2,092.02

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2024 ^[b]
118452	3	\$ 29,110.59	\$ 2,092.02
118453	3	\$ 29,110.59	\$ 2,092.02
118454	3	\$ 29,110.59	\$ 2,092.02
118455	Non-Benefitted	\$ -	\$ -
118456	Non-Benefitted	\$ -	\$ -
118457	Non-Benefitted	\$ -	\$ -
Total^[c]		\$ 4,110,000.25	\$ 295,363.51

Footnotes:

[a] Per Rockwall Central Appraisal District.

[b] The Annual Installment covers the period August 15, 2023 to August 14, 2024 and is due by January 31, 2024.

[c] Total may not match Annual Installment Schedule or Service Plan due to rounding.

EXHIBIT A-2 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Property ID ^[b]	Major Improvement Area ^[a]	
	Outstanding Assessment	Annual Installment Due 1/31/2024 ^[c]
11912	\$ 1,458,154.89	\$ 127,603.20
73541	\$ 235,589.91	\$ 20,616.48
73543	\$ 505,373.18	\$ 44,225.23
116127	\$ 1,326,882.02	\$ 116,115.50
Total	\$ 3,526,000.00	\$ 308,560.41

Footnotes:

[a] Totals may not match the outstanding Assessment or Annual Installment due to rounding.

[b] For billing purposes, the outstanding Assessment and Annual Installment will be allocated to each Property ID pro rata based on acreage.

[c] The Annual Installment covers the period August 15, 2023 to August 14, 2024 and is due by January 31, 2024.

EXHIBIT A-3 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID ^[b]	Lot Type	Improvement Area #2 ^[a]	
		Outstanding Assessment	Annual Installment Due 1/31/2024 ^[c]
11912	Improvement Area #2 Initial Parcel	\$ 6,777,153.23	\$ 529,563.34
73541	Improvement Area #2 Initial Parcel	\$ 1,094,965.26	\$ 85,560.03
73543	Improvement Area #2 Initial Parcel	\$ 2,348,852.98	\$ 183,538.19
116127	Improvement Area #2 Initial Parcel	\$ 6,167,028.54	\$ 481,888.50
Total		\$ 16,388,000.01	\$ 1,280,550.06

Footnotes:

[a] Totals may not match the outstanding Assessment or Annual Installment due to rounding.

[b] For billing purposes, the outstanding Assessment and Annual Installment will be allocated to each Property ID pro rata based on acreage.

[c] The Annual Installment covers the period August 15, 2023 to August 14, 2024 and is due by January 31, 2024.

EXHIBIT B-1 – IMPROVEMENT AREA #1 DEBT SERVICE SCHEDULE



BOND DEBT SERVICE

City of Fate, Texas
 Special Assessment Revenue Bonds, Series 2020
 Williamsburg East Public Improvement District
 Improvement Area #1 Project
 Callable on 8/15/2028 @ par
 Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021			48,300.67	48,300.67	
08/15/2021			82,020.00	82,020.00	
09/30/2021					130,320.67
02/15/2022			82,020.00	82,020.00	
08/15/2022	94,000	2.625%	82,020.00	176,020.00	
09/30/2022					258,040.00
02/15/2023			80,786.25	80,786.25	
08/15/2023	96,000	2.625%	80,786.25	176,786.25	
09/30/2023					257,572.50
02/15/2024			79,526.25	79,526.25	
08/15/2024	98,000	2.625%	79,526.25	177,526.25	
09/30/2024					257,052.50
02/15/2025			78,240.00	78,240.00	
08/15/2025	100,000	2.625%	78,240.00	178,240.00	
09/30/2025					256,480.00
02/15/2026			76,927.50	76,927.50	
08/15/2026	102,000	3.375%	76,927.50	178,927.50	
09/30/2026					255,855.00
02/15/2027			75,206.25	75,206.25	
08/15/2027	105,000	3.375%	75,206.25	180,206.25	
09/30/2027					255,412.50
02/15/2028			73,434.38	73,434.38	
08/15/2028	108,000	3.375%	73,434.38	181,434.38	
09/30/2028					254,868.76
02/15/2029			71,611.88	71,611.88	
08/15/2029	111,000	3.375%	71,611.88	182,611.88	
09/30/2029					254,223.76
02/15/2030			69,738.75	69,738.75	
08/15/2030	115,000	3.375%	69,738.75	184,738.75	
09/30/2030					254,477.50
02/15/2031			67,798.13	67,798.13	
08/15/2031	118,000	3.875%	67,798.13	185,798.13	
09/30/2031					253,596.26
02/15/2032			65,511.88	65,511.88	
08/15/2032	122,000	3.875%	65,511.88	187,511.88	
09/30/2032					253,023.76
02/15/2033			63,148.13	63,148.13	
08/15/2033	126,000	3.875%	63,148.13	189,148.13	
09/30/2033					252,296.26
02/15/2034			60,706.88	60,706.88	
08/15/2034	131,000	3.875%	60,706.88	191,706.88	
09/30/2034					252,413.76

BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Improvement Area #1 Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2035			58,168.75	58,168.75	
08/15/2035	135,000	3.875%	58,168.75	193,168.75	
09/30/2035					251,337.50
02/15/2036			55,553.13	55,553.13	
08/15/2036	140,000	3.875%	55,553.13	195,553.13	
09/30/2036					251,106.26
02/15/2037			52,840.63	52,840.63	
08/15/2037	145,000	3.875%	52,840.63	197,840.63	
09/30/2037					250,681.26
02/15/2038			50,031.25	50,031.25	
08/15/2038	150,000	3.875%	50,031.25	200,031.25	
09/30/2038					250,062.50
02/15/2039			47,125.00	47,125.00	
08/15/2039	155,000	3.875%	47,125.00	202,125.00	
09/30/2039					249,250.00
02/15/2040			44,121.88	44,121.88	
08/15/2040	161,000	3.875%	44,121.88	205,121.88	
09/30/2040					249,243.76
02/15/2041			41,002.50	41,002.50	
08/15/2041	167,000	4.125%	41,002.50	208,002.50	
09/30/2041					249,005.00
02/15/2042			37,558.13	37,558.13	
08/15/2042	173,000	4.125%	37,558.13	210,558.13	
09/30/2042					248,116.26
02/15/2043			33,990.00	33,990.00	
08/15/2043	180,000	4.125%	33,990.00	213,990.00	
09/30/2043					247,980.00
02/15/2044			30,277.50	30,277.50	
08/15/2044	186,000	4.125%	30,277.50	216,277.50	
09/30/2044					246,555.00
02/15/2045			26,441.25	26,441.25	
08/15/2045	194,000	4.125%	26,441.25	220,441.25	
09/30/2045					246,882.50
02/15/2046			22,440.00	22,440.00	
08/15/2046	201,000	4.125%	22,440.00	223,440.00	
09/30/2046					245,880.00
02/15/2047			18,294.38	18,294.38	
08/15/2047	209,000	4.125%	18,294.38	227,294.38	
09/30/2047					245,588.76
02/15/2048			13,983.75	13,983.75	
08/15/2048	217,000	4.125%	13,983.75	230,983.75	
09/30/2048					244,967.50

BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Improvement Area #1 Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2049			9,508.13	9,508.13	
08/15/2049	226,000	4.125%	9,508.13	235,508.13	
09/30/2049					245,016.26
02/15/2050			4,846.88	4,846.88	
08/15/2050	235,000	4.125%	4,846.88	239,846.88	
09/30/2050					244,693.76
	4,300,000		3,111,999.55	7,411,999.55	7,411,999.55

Note: FINAL NUMBERS

EXHIBIT B-2 – MAJOR IMPROVEMENT AREA DEBT SERVICE SCHEDULE



BOND DEBT SERVICE

City of Fate, Texas
 Special Assessment Revenue Bonds, Series 2020
 Williamsburg East Public Improvement District
 Major Improvement Area Project
 Callable on 8/15/2028 @ par
 Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021			49,350.36	49,350.36	
08/15/2021			83,802.50	83,802.50	
09/30/2021					133,152.86
02/15/2022			83,802.50	83,802.50	
08/15/2022			83,802.50	83,802.50	
09/30/2022					167,605.00
02/15/2023			83,802.50	83,802.50	
08/15/2023	74,000	4.125%	83,802.50	157,802.50	
09/30/2023					241,605.00
02/15/2024			82,276.25	82,276.25	
08/15/2024	76,000	4.125%	82,276.25	158,276.25	
09/30/2024					240,552.50
02/15/2025			80,708.75	80,708.75	
08/15/2025	79,000	4.125%	80,708.75	159,708.75	
09/30/2025					240,417.50
02/15/2026			79,079.38	79,079.38	
08/15/2026	82,000	4.125%	79,079.38	161,079.38	
09/30/2026					240,158.76
02/15/2027			77,388.13	77,388.13	
08/15/2027	84,000	4.125%	77,388.13	161,388.13	
09/30/2027					238,776.26
02/15/2028			75,655.63	75,655.63	
08/15/2028	87,000	4.125%	75,655.63	162,655.63	
09/30/2028					238,311.26
02/15/2029			73,861.25	73,861.25	
08/15/2029	90,000	4.125%	73,861.25	163,861.25	
09/30/2029					237,722.50
02/15/2030			72,005.00	72,005.00	
08/15/2030	93,000	4.125%	72,005.00	165,005.00	
09/30/2030					237,010.00
02/15/2031			70,086.88	70,086.88	
08/15/2031	97,000	4.625%	70,086.88	167,086.88	
09/30/2031					237,173.76
02/15/2032			67,843.75	67,843.75	
08/15/2032	100,000	4.625%	67,843.75	167,843.75	
09/30/2032					235,687.50
02/15/2033			65,531.25	65,531.25	
08/15/2033	104,000	4.625%	65,531.25	169,531.25	
09/30/2033					235,062.50
02/15/2034			63,126.25	63,126.25	
08/15/2034	109,000	4.625%	63,126.25	172,126.25	
09/30/2034					235,252.50



BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Major Improvement Area Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2035			60,605.63	60,605.63	
08/15/2035	113,000	4.625%	60,605.63	173,605.63	
09/30/2035					234,211.26
02/15/2036			57,992.50	57,992.50	
08/15/2036	118,000	4.625%	57,992.50	175,992.50	
09/30/2036					233,985.00
02/15/2037			55,263.75	55,263.75	
08/15/2037	123,000	4.625%	55,263.75	178,263.75	
09/30/2037					233,527.50
02/15/2038			52,419.38	52,419.38	
08/15/2038	128,000	4.625%	52,419.38	180,419.38	
09/30/2038					232,838.76
02/15/2039			49,459.38	49,459.38	
08/15/2039	133,000	4.625%	49,459.38	182,459.38	
09/30/2039					231,918.76
02/15/2040			46,383.75	46,383.75	
08/15/2040	138,000	4.625%	46,383.75	184,383.75	
09/30/2040					230,767.50
02/15/2041			43,192.50	43,192.50	
08/15/2041	144,000	4.875%	43,192.50	187,192.50	
09/30/2041					230,385.00
02/15/2042			39,682.50	39,682.50	
08/15/2042	151,000	4.875%	39,682.50	190,682.50	
09/30/2042					230,365.00
02/15/2043			36,001.88	36,001.88	
08/15/2043	157,000	4.875%	36,001.88	193,001.88	
09/30/2043					229,003.76
02/15/2044			32,175.00	32,175.00	
08/15/2044	164,000	4.875%	32,175.00	196,175.00	
09/30/2044					228,350.00
02/15/2045			28,177.50	28,177.50	
08/15/2045	172,000	4.875%	28,177.50	200,177.50	
09/30/2045					228,355.00
02/15/2046			23,985.00	23,985.00	
08/15/2046	180,000	4.875%	23,985.00	203,985.00	
09/30/2046					227,970.00
02/15/2047			19,597.50	19,597.50	
08/15/2047	188,000	4.875%	19,597.50	207,597.50	
09/30/2047					227,195.00
02/15/2048			15,015.00	15,015.00	
08/15/2048	196,000	4.875%	15,015.00	211,015.00	
09/30/2048					226,030.00

BOND DEBT SERVICE

City of Fate, Texas
Special Assessment Revenue Bonds, Series 2020
Williamsburg East Public Improvement District
Major Improvement Area Project
Callable on 8/15/2028 @ par
Underwriter: FMSbonds, Inc.

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2049			10,237.50	10,237.50	
08/15/2049	205,000	4.875%	10,237.50	215,237.50	
09/30/2049					225,475.00
02/15/2050			5,240.63	5,240.63	
08/15/2050	215,000	4.875%	5,240.63	220,240.63	
09/30/2050					225,481.26
	3,600,000		3,234,346.70	6,834,346.70	6,834,346.70

Note: FINAL NUMBERS

EXHIBIT B-3 – IMPROVEMENT AREA #2 DEBT SERVICE SCHEDULE



BOND DEBT SERVICE

City of Fate, Texas
 Special Assessment Revenue Bonds, Series 2022
 Williamsburg East Public Improvement District
 (Improvement Area #2 Project)
 Callable on 8/15/2032 @ par
 FINAL NUMBERS
 Underwriter: FMSbonds Inc.

Dated Date 09/29/2022
 Delivery Date 09/29/2022

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2023			837,813.65	837,813.65
09/30/2024	228,000	4.875%	954,471.26	1,182,471.26
09/30/2025	239,000	4.875%	943,356.26	1,182,356.26
09/30/2026	251,000	4.875%	931,705.00	1,182,705.00
09/30/2027	265,000	4.875%	919,468.76	1,184,468.76
09/30/2028	279,000	5.250%	906,550.00	1,185,550.00
09/30/2029	294,000	5.250%	891,902.50	1,185,902.50
09/30/2030	310,000	5.250%	876,467.50	1,186,467.50
09/30/2031	327,000	5.250%	860,192.50	1,187,192.50
09/30/2032	346,000	5.250%	843,025.00	1,189,025.00
09/30/2033	366,000	5.875%	824,860.00	1,190,860.00
09/30/2034	387,000	5.875%	803,357.50	1,190,357.50
09/30/2035	412,000	5.875%	780,621.26	1,192,621.26
09/30/2036	437,000	5.875%	756,416.26	1,193,416.26
09/30/2037	464,000	5.875%	730,742.50	1,194,742.50
09/30/2038	493,000	5.875%	703,482.50	1,196,482.50
09/30/2039	525,000	5.875%	674,518.76	1,199,518.76
09/30/2040	558,000	5.875%	643,675.00	1,201,675.00
09/30/2041	593,000	5.875%	610,892.50	1,203,892.50
09/30/2042	629,000	5.875%	576,053.76	1,205,053.76
09/30/2043	669,000	6.000%	539,100.00	1,208,100.00
09/30/2044	712,000	6.000%	498,960.00	1,210,960.00
09/30/2045	757,000	6.000%	456,240.00	1,213,240.00
09/30/2046	805,000	6.000%	410,820.00	1,215,820.00
09/30/2047	857,000	6.000%	362,520.00	1,219,520.00
09/30/2048	913,000	6.000%	311,100.00	1,224,100.00
09/30/2049	971,000	6.000%	256,320.00	1,227,320.00
09/30/2050	1,033,000	6.000%	198,060.00	1,231,060.00
09/30/2051	1,099,000	6.000%	136,080.00	1,235,080.00
09/30/2052	1,169,000	6.000%	70,140.00	1,239,140.00
	16,388,000		19,308,912.47	35,696,912.47

EXHIBIT C – FINAL PLAT FOR EDGEWATER PHASE 1



EXHIBIT D – LOT TYPE MAP



EXHIBIT E – BUYER DISCLOSURES

Homebuyer Disclosures for the following Lot Types are found in this Exhibit:

- Improvement Area #1
 - Lot Type 1
 - Lot Type 2
 - Lot Type 3
- Improvement Area #2
 - Lot Type 4
 - Lot Type 5
 - Lot Type 6
 - Initial Parcel

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**WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA
#1 – LOT TYPE 1 BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: \$23,288.48

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Williamsburg East 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 1

Improvement Area #1 Lot Type 1 Annual Installments

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Annual Installment ^[b]
2024	\$ 555.30	\$ 901.24	\$ 116.44	\$ 100.64	\$ 1,673.62
2025	\$ 566.63	\$ 886.66	\$ 113.67	\$ 102.65	\$ 1,669.61
2026	\$ 577.96	\$ 871.79	\$ 110.83	\$ 104.71	\$ 1,665.29
2027	\$ 594.96	\$ 852.28	\$ 107.94	\$ 106.80	\$ 1,661.99
2028	\$ 611.96	\$ 832.20	\$ 104.97	\$ 108.94	\$ 1,658.07
2029	\$ 628.96	\$ 811.55	\$ 101.91	\$ 111.12	\$ 1,653.53
2030	\$ 651.62	\$ 790.32	\$ 98.76	\$ 113.34	\$ 1,654.05
2031	\$ 668.62	\$ 768.33	\$ 95.51	\$ 115.60	\$ 1,648.06
2032	\$ 691.29	\$ 742.42	\$ 92.16	\$ 117.92	\$ 1,643.79
2033	\$ 713.95	\$ 715.63	\$ 88.71	\$ 120.28	\$ 1,638.57
2034	\$ 742.28	\$ 687.97	\$ 85.14	\$ 122.68	\$ 1,638.07
2035	\$ 764.95	\$ 659.20	\$ 81.42	\$ 125.13	\$ 1,630.71
2036	\$ 793.28	\$ 629.56	\$ 77.60	\$ 127.64	\$ 1,628.08
2037	\$ 821.61	\$ 598.82	\$ 73.63	\$ 130.19	\$ 1,624.26
2038	\$ 849.94	\$ 566.98	\$ 69.53	\$ 132.79	\$ 1,619.25
2039	\$ 878.28	\$ 534.05	\$ 65.28	\$ 135.45	\$ 1,613.05
2040	\$ 912.27	\$ 500.02	\$ 60.88	\$ 138.16	\$ 1,611.33
2041	\$ 946.27	\$ 464.66	\$ 56.32	\$ 140.92	\$ 1,608.18
2042	\$ 980.27	\$ 425.63	\$ 51.59	\$ 143.74	\$ 1,601.23
2043	\$ 1,019.93	\$ 385.19	\$ 46.69	\$ 146.61	\$ 1,598.43
2044	\$ 1,053.93	\$ 343.12	\$ 41.59	\$ 149.55	\$ 1,588.19
2045	\$ 1,099.26	\$ 299.65	\$ 36.32	\$ 152.54	\$ 1,587.77
2046	\$ 1,138.93	\$ 254.30	\$ 30.82	\$ 155.59	\$ 1,579.64
2047	\$ 1,184.26	\$ 207.32	\$ 25.13	\$ 158.70	\$ 1,575.41
2048	\$ 1,229.59	\$ 158.47	\$ 19.21	\$ 161.87	\$ 1,569.14
2049	\$ 1,280.58	\$ 107.75	\$ 13.06	\$ 165.11	\$ 1,566.51
2050	\$ 1,331.58	\$ 54.93	\$ 6.66	\$ 168.41	\$ 1,561.58
Total	\$ 23,288.48	\$ 15,050.06	\$ 1,871.78	\$ 3,557.08	\$ 43,767.39

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at 2.625%, 3.375%, 3.875% and 4.125% for term bonds maturing in 2025, 2030, 2040 and 2050 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA
#1 - LOT TYPE 2 BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: \$27,031.27

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Williamsburg East 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 2

Improvement Area #1 Lot Type 2 Annual Installments

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Annual Installment ^[b]
2024	\$ 644.54	\$ 1,046.08	\$ 135.16	\$ 116.82	\$ 1,942.59
2025	\$ 657.70	\$ 1,029.16	\$ 131.93	\$ 119.15	\$ 1,937.94
2026	\$ 670.85	\$ 1,011.90	\$ 128.65	\$ 121.53	\$ 1,932.93
2027	\$ 690.58	\$ 989.26	\$ 125.29	\$ 123.97	\$ 1,929.09
2028	\$ 710.31	\$ 965.95	\$ 121.84	\$ 126.44	\$ 1,924.54
2029	\$ 730.04	\$ 941.98	\$ 118.29	\$ 128.97	\$ 1,919.28
2030	\$ 756.35	\$ 917.34	\$ 114.64	\$ 131.55	\$ 1,919.88
2031	\$ 776.08	\$ 891.81	\$ 110.85	\$ 134.18	\$ 1,912.93
2032	\$ 802.39	\$ 861.74	\$ 106.97	\$ 136.87	\$ 1,907.97
2033	\$ 828.70	\$ 830.64	\$ 102.96	\$ 139.61	\$ 1,901.91
2034	\$ 861.58	\$ 798.53	\$ 98.82	\$ 142.40	\$ 1,901.33
2035	\$ 887.89	\$ 765.15	\$ 94.51	\$ 145.25	\$ 1,892.79
2036	\$ 920.77	\$ 730.74	\$ 90.07	\$ 148.15	\$ 1,889.73
2037	\$ 953.66	\$ 695.06	\$ 85.47	\$ 151.11	\$ 1,885.30
2038	\$ 986.54	\$ 658.11	\$ 80.70	\$ 154.14	\$ 1,879.48
2039	\$ 1,019.43	\$ 619.88	\$ 75.77	\$ 157.22	\$ 1,872.29
2040	\$ 1,058.89	\$ 580.37	\$ 70.67	\$ 160.36	\$ 1,870.30
2041	\$ 1,098.35	\$ 539.34	\$ 65.37	\$ 163.57	\$ 1,866.64
2042	\$ 1,137.81	\$ 494.04	\$ 59.88	\$ 166.84	\$ 1,858.57
2043	\$ 1,183.85	\$ 447.10	\$ 54.19	\$ 170.18	\$ 1,855.32
2044	\$ 1,223.31	\$ 398.27	\$ 48.27	\$ 173.58	\$ 1,843.44
2045	\$ 1,275.93	\$ 347.81	\$ 42.16	\$ 177.05	\$ 1,842.95
2046	\$ 1,321.97	\$ 295.17	\$ 35.78	\$ 180.59	\$ 1,833.51
2047	\$ 1,374.58	\$ 240.64	\$ 29.17	\$ 184.21	\$ 1,828.60
2048	\$ 1,427.20	\$ 183.94	\$ 22.30	\$ 187.89	\$ 1,821.32
2049	\$ 1,486.39	\$ 125.07	\$ 15.16	\$ 191.65	\$ 1,818.27
2050	\$ 1,545.58	\$ 63.76	\$ 7.73	\$ 195.48	\$ 1,812.55
Total	\$ 27,031.27	\$ 17,468.82	\$ 2,172.60	\$ 4,128.76	\$ 50,801.44

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at 2.625%, 3.375%, 3.875% and 4.125% for term bonds maturing in 2025, 2030, 2040 and 2050 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT - IMPROVEMENT AREA
#1 - LOT TYPE 3 BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 3 PRINCIPAL ASSESSMENT: \$29,110.59

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Williamsburg East 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 3

Improvement Area #1 Lot Type 3 Annual Installments

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Total Annual Installment ^[b]
2024	\$ 694.12	\$ 1,126.55	\$ 145.55	\$ 125.80	\$ 2,092.02
2025	\$ 708.29	\$ 1,108.33	\$ 142.08	\$ 128.32	\$ 2,087.01
2026	\$ 722.45	\$ 1,089.73	\$ 138.54	\$ 130.88	\$ 2,081.61
2027	\$ 743.70	\$ 1,065.35	\$ 134.93	\$ 133.50	\$ 2,077.48
2028	\$ 764.95	\$ 1,040.25	\$ 131.21	\$ 136.17	\$ 2,072.58
2029	\$ 786.20	\$ 1,014.44	\$ 127.39	\$ 138.89	\$ 2,066.91
2030	\$ 814.53	\$ 987.90	\$ 123.45	\$ 141.67	\$ 2,067.56
2031	\$ 835.78	\$ 960.41	\$ 119.38	\$ 144.51	\$ 2,060.08
2032	\$ 864.11	\$ 928.02	\$ 115.20	\$ 147.40	\$ 2,054.73
2033	\$ 892.44	\$ 894.54	\$ 110.88	\$ 150.34	\$ 2,048.21
2034	\$ 927.86	\$ 859.96	\$ 106.42	\$ 153.35	\$ 2,047.58
2035	\$ 956.19	\$ 824.00	\$ 101.78	\$ 156.42	\$ 2,038.39
2036	\$ 991.60	\$ 786.95	\$ 97.00	\$ 159.55	\$ 2,035.10
2037	\$ 1,027.02	\$ 748.53	\$ 92.04	\$ 162.74	\$ 2,030.32
2038	\$ 1,062.43	\$ 708.73	\$ 86.91	\$ 165.99	\$ 2,024.06
2039	\$ 1,097.84	\$ 667.56	\$ 81.59	\$ 169.31	\$ 2,016.31
2040	\$ 1,140.34	\$ 625.02	\$ 76.11	\$ 172.70	\$ 2,014.16
2041	\$ 1,182.84	\$ 580.83	\$ 70.40	\$ 176.15	\$ 2,010.23
2042	\$ 1,225.34	\$ 532.04	\$ 64.49	\$ 179.67	\$ 2,001.54
2043	\$ 1,274.92	\$ 481.49	\$ 58.36	\$ 183.27	\$ 1,998.04
2044	\$ 1,317.41	\$ 428.90	\$ 51.99	\$ 186.93	\$ 1,985.24
2045	\$ 1,374.08	\$ 374.56	\$ 45.40	\$ 190.67	\$ 1,984.71
2046	\$ 1,423.66	\$ 317.88	\$ 38.53	\$ 194.49	\$ 1,974.55
2047	\$ 1,480.32	\$ 259.15	\$ 31.41	\$ 198.38	\$ 1,969.26
2048	\$ 1,536.98	\$ 198.09	\$ 24.01	\$ 202.34	\$ 1,961.43
2049	\$ 1,600.73	\$ 134.69	\$ 16.33	\$ 206.39	\$ 1,958.13
2050	\$ 1,664.47	\$ 68.66	\$ 8.32	\$ 210.52	\$ 1,951.97
Total	\$ 29,110.59	\$ 18,812.57	\$ 2,339.72	\$ 4,446.35	\$ 54,709.24

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at 2.625%, 3.375%, 3.875% and 4.125% for term bonds maturing in 2025, 2030, 2040 and 2050 respectively.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA
#2 - LOT TYPE 4 BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2 LOT TYPE 4 PRINCIPAL ASSESSMENT: \$39,119.73

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Williamsburg East 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 LOT TYPE 4

Improvement Area #2 - Lot Type 4 Annual Installments								
Installment Due 1/31	Major Improvement Area Bonds		Improvement Area #2 Bonds		Additional Interest	Annual Collection Costs	Total Annual Installment ^[c]	
	Principal	Interest ^[a]	Principal	Interest ^[b]				
2024	\$ 149.30	\$ 323.25	\$ 447.89	\$ 1,875.00	\$ 195.60	\$ 130.67	\$ 3,121.70	
2025	\$ 155.19	\$ 317.09	\$ 469.50	\$ 1,853.16	\$ 192.61	\$ 133.28	\$ 3,120.84	
2026	\$ 161.08	\$ 310.69	\$ 493.07	\$ 1,830.27	\$ 189.49	\$ 135.95	\$ 3,120.56	
2027	\$ 165.01	\$ 304.05	\$ 520.57	\$ 1,806.24	\$ 186.22	\$ 138.67	\$ 3,120.75	
2028	\$ 170.91	\$ 297.24	\$ 548.08	\$ 1,780.86	\$ 182.79	\$ 141.44	\$ 3,121.31	
2029	\$ 176.80	\$ 290.19	\$ 577.54	\$ 1,752.08	\$ 179.20	\$ 144.27	\$ 3,120.08	
2030	\$ 182.69	\$ 282.90	\$ 608.97	\$ 1,721.76	\$ 175.42	\$ 147.15	\$ 3,118.90	
2031	\$ 190.55	\$ 275.36	\$ 642.37	\$ 1,689.79	\$ 171.47	\$ 150.10	\$ 3,119.63	
2032	\$ 196.44	\$ 266.55	\$ 679.69	\$ 1,656.07	\$ 167.30	\$ 153.10	\$ 3,119.15	
2033	\$ 204.30	\$ 257.46	\$ 718.98	\$ 1,620.38	\$ 162.92	\$ 156.16	\$ 3,120.21	
2034	\$ 214.12	\$ 248.01	\$ 760.24	\$ 1,578.14	\$ 158.30	\$ 159.28	\$ 3,118.10	
2035	\$ 221.98	\$ 238.11	\$ 809.35	\$ 1,533.48	\$ 153.43	\$ 162.47	\$ 3,118.82	
2036	\$ 231.80	\$ 227.84	\$ 858.46	\$ 1,485.93	\$ 148.28	\$ 165.72	\$ 3,118.03	
2037	\$ 241.63	\$ 217.12	\$ 911.50	\$ 1,435.49	\$ 142.82	\$ 169.03	\$ 3,117.60	
2038	\$ 251.45	\$ 205.95	\$ 968.47	\$ 1,381.94	\$ 137.06	\$ 172.41	\$ 3,117.28	
2039	\$ 261.27	\$ 194.32	\$ 1,031.33	\$ 1,325.05	\$ 130.96	\$ 175.86	\$ 3,118.78	
2040	\$ 271.09	\$ 182.24	\$ 1,096.15	\$ 1,264.46	\$ 124.50	\$ 179.38	\$ 3,117.81	
2041	\$ 282.88	\$ 169.70	\$ 1,164.91	\$ 1,200.06	\$ 117.66	\$ 182.97	\$ 3,118.17	
2042	\$ 296.63	\$ 155.91	\$ 1,235.63	\$ 1,131.62	\$ 110.42	\$ 186.63	\$ 3,116.83	
2043	\$ 308.42	\$ 141.45	\$ 1,314.21	\$ 1,059.03	\$ 102.76	\$ 190.36	\$ 3,116.21	
2044	\$ 322.17	\$ 126.41	\$ 1,398.68	\$ 980.17	\$ 94.65	\$ 194.17	\$ 3,116.24	
2045	\$ 337.88	\$ 110.71	\$ 1,487.08	\$ 896.25	\$ 86.04	\$ 198.05	\$ 3,116.01	
2046	\$ 353.60	\$ 94.23	\$ 1,581.37	\$ 807.03	\$ 76.92	\$ 202.01	\$ 3,115.16	
2047	\$ 369.31	\$ 77.00	\$ 1,683.52	\$ 712.15	\$ 67.24	\$ 206.05	\$ 3,115.27	
2048	\$ 385.03	\$ 58.99	\$ 1,793.53	\$ 611.14	\$ 56.98	\$ 210.17	\$ 3,115.83	
2049	\$ 402.71	\$ 40.22	\$ 1,907.46	\$ 503.52	\$ 46.09	\$ 214.37	\$ 3,114.38	
2050	\$ 422.35	\$ 20.59	\$ 2,029.26	\$ 389.08	\$ 34.53	\$ 218.66	\$ 3,114.47	
2051	\$ -	\$ -	\$ 2,158.91	\$ 267.32	\$ 22.28	\$ 54.11	\$ 2,502.62	
2052	\$ -	\$ -	\$ 2,296.42	\$ 137.79	\$ 11.48	\$ 55.20	\$ 2,500.89	
Total	\$ 6,926.59	\$ 5,433.59	\$ 32,193.13	\$ 36,285.24	\$ 3,625.41	\$ 4,727.67	\$ 89,191.64	

Footnotes:

[a] Interest on the Major Improvement Area Bonds is calculated at 4.125%, 4.625%, and 4.875% for term bonds maturing in 2030, 2040, and 2050 respectively.

[b] Interest on the Improvement Area #2 Bonds is calculated at 4.875%, 5.250%, 5.875% and 6.000% for term bonds maturing in 2057, 2032, 2042 and 2052 respectively.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA
#2 - LOT TYPE 5 BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2 LOT TYPE 5 PRINCIPAL ASSESSMENT: \$45,296.53

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Williamsburg East 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 LOT TYPE 5

Improvement Area #2 - Lot Type 5 Annual Installments								
Installment Due 1/31	Major Improvement Area Bonds		Improvement Area #2 Bonds		Additional Interest	Annual Collection Costs	Total Annual Installment ^[c]	
	Principal	Interest ^[a]	Principal	Interest ^[b]				
2024	\$ 172.87	\$ 374.29	\$ 518.61	\$ 2,171.05	\$ 226.48	\$ 151.30	\$ 3,614.60	
2025	\$ 179.69	\$ 367.16	\$ 543.63	\$ 2,145.76	\$ 223.03	\$ 154.33	\$ 3,613.60	
2026	\$ 186.52	\$ 359.75	\$ 570.93	\$ 2,119.26	\$ 219.41	\$ 157.41	\$ 3,613.28	
2027	\$ 191.07	\$ 352.06	\$ 602.77	\$ 2,091.43	\$ 215.62	\$ 160.56	\$ 3,613.50	
2028	\$ 197.89	\$ 344.17	\$ 634.62	\$ 2,062.05	\$ 211.65	\$ 163.77	\$ 3,614.15	
2029	\$ 204.71	\$ 336.01	\$ 668.73	\$ 2,028.73	\$ 207.49	\$ 167.05	\$ 3,612.72	
2030	\$ 211.54	\$ 327.57	\$ 705.13	\$ 1,993.62	\$ 203.12	\$ 170.39	\$ 3,611.36	
2031	\$ 220.64	\$ 318.84	\$ 743.80	\$ 1,956.60	\$ 198.54	\$ 173.80	\$ 3,612.21	
2032	\$ 227.46	\$ 308.64	\$ 787.01	\$ 1,917.55	\$ 193.72	\$ 177.27	\$ 3,611.65	
2033	\$ 236.56	\$ 298.12	\$ 832.51	\$ 1,876.23	\$ 188.64	\$ 180.82	\$ 3,612.87	
2034	\$ 247.93	\$ 287.17	\$ 880.27	\$ 1,827.32	\$ 183.30	\$ 184.43	\$ 3,610.43	
2035	\$ 257.03	\$ 275.71	\$ 937.14	\$ 1,775.61	\$ 177.66	\$ 188.12	\$ 3,611.26	
2036	\$ 268.40	\$ 263.82	\$ 994.00	\$ 1,720.55	\$ 171.69	\$ 191.88	\$ 3,610.35	
2037	\$ 279.78	\$ 251.41	\$ 1,055.42	\$ 1,662.15	\$ 165.38	\$ 195.72	\$ 3,609.85	
2038	\$ 291.15	\$ 238.47	\$ 1,121.38	\$ 1,600.15	\$ 158.70	\$ 199.64	\$ 3,609.48	
2039	\$ 302.52	\$ 225.00	\$ 1,194.17	\$ 1,534.27	\$ 151.64	\$ 203.63	\$ 3,611.22	
2040	\$ 313.90	\$ 211.01	\$ 1,269.23	\$ 1,464.11	\$ 144.15	\$ 207.70	\$ 3,610.10	
2041	\$ 327.54	\$ 196.49	\$ 1,348.84	\$ 1,389.54	\$ 136.24	\$ 211.86	\$ 3,610.51	
2042	\$ 343.47	\$ 180.52	\$ 1,430.73	\$ 1,310.30	\$ 127.86	\$ 216.09	\$ 3,608.96	
2043	\$ 357.11	\$ 163.78	\$ 1,521.71	\$ 1,226.24	\$ 118.98	\$ 220.41	\$ 3,608.25	
2044	\$ 373.04	\$ 146.37	\$ 1,619.52	\$ 1,134.94	\$ 109.59	\$ 224.82	\$ 3,608.28	
2045	\$ 391.23	\$ 128.19	\$ 1,721.88	\$ 1,037.77	\$ 99.63	\$ 229.32	\$ 3,608.01	
2046	\$ 409.43	\$ 109.11	\$ 1,831.06	\$ 934.45	\$ 89.06	\$ 233.91	\$ 3,607.02	
2047	\$ 427.63	\$ 89.15	\$ 1,949.34	\$ 824.59	\$ 77.86	\$ 238.58	\$ 3,607.15	
2048	\$ 445.82	\$ 68.31	\$ 2,076.72	\$ 707.63	\$ 65.97	\$ 243.36	\$ 3,607.81	
2049	\$ 466.29	\$ 46.57	\$ 2,208.64	\$ 583.03	\$ 53.36	\$ 248.22	\$ 3,606.12	
2050	\$ 489.04	\$ 23.84	\$ 2,349.67	\$ 450.51	\$ 39.99	\$ 253.19	\$ 3,606.23	
2051	\$ -	\$ -	\$ 2,499.79	\$ 309.53	\$ 25.79	\$ 62.66	\$ 2,897.77	
2052	\$ -	\$ -	\$ 2,659.02	\$ 159.54	\$ 13.30	\$ 63.91	\$ 2,895.76	
Total	\$ 8,020.26	\$ 6,291.53	\$ 37,276.26	\$ 42,014.49	\$ 4,197.84	\$ 5,474.15	\$ 103,274.53	

Footnotes:

[a] Interest on the Major Improvement Area Bonds is calculated at 4.125%, 4.625%, and 4.875% for term bonds maturing in 2030, 2040, and 2050 respectively.

[b] Interest on the Improvement Area #2 Bonds is calculated at 4.875%, 5.250%, 5.875% and 6.000% for term bonds maturing in 2057, 2032, 2042 and 2052 respectively.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA
#2 - LOT TYPE 6 BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2 LOT TYPE 6 PRINCIPAL ASSESSMENT: \$51,473.33

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Williamsburg East 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 LOT TYPE 6

Improvement Area #2 - Lot Type 6 Annual Installments							
Installment Due 1/31	Major Improvement Area Bonds		Improvement Area #2 Bonds		Additional Interest	Annual Collection Costs	Total Annual Installment ^[c]
	Principal	Interest ^[a]	Principal	Interest ^[b]			
2024	\$ 196.44	\$ 425.33	\$ 589.33	\$ 2,467.10	\$ 257.37	\$ 171.93	\$ 4,107.50
2025	\$ 204.20	\$ 417.23	\$ 617.76	\$ 2,438.37	\$ 253.44	\$ 175.37	\$ 4,106.37
2026	\$ 211.95	\$ 408.81	\$ 648.78	\$ 2,408.25	\$ 249.33	\$ 178.88	\$ 4,106.00
2027	\$ 217.12	\$ 400.06	\$ 684.97	\$ 2,376.63	\$ 245.02	\$ 182.45	\$ 4,106.26
2028	\$ 224.88	\$ 391.11	\$ 721.15	\$ 2,343.23	\$ 240.51	\$ 186.10	\$ 4,106.99
2029	\$ 232.63	\$ 381.83	\$ 759.93	\$ 2,305.37	\$ 235.78	\$ 189.83	\$ 4,105.37
2030	\$ 240.38	\$ 372.23	\$ 801.28	\$ 2,265.48	\$ 230.82	\$ 193.62	\$ 4,103.82
2031	\$ 250.72	\$ 362.32	\$ 845.22	\$ 2,223.41	\$ 225.61	\$ 197.49	\$ 4,104.78
2032	\$ 258.48	\$ 350.72	\$ 894.33	\$ 2,179.03	\$ 220.13	\$ 201.44	\$ 4,104.15
2033	\$ 268.82	\$ 338.77	\$ 946.03	\$ 2,132.08	\$ 214.37	\$ 205.47	\$ 4,105.54
2034	\$ 281.74	\$ 326.34	\$ 1,000.31	\$ 2,076.50	\$ 208.29	\$ 209.58	\$ 4,102.77
2035	\$ 292.08	\$ 313.30	\$ 1,064.93	\$ 2,017.73	\$ 201.88	\$ 213.77	\$ 4,103.71
2036	\$ 305.00	\$ 299.80	\$ 1,129.55	\$ 1,955.17	\$ 195.10	\$ 218.05	\$ 4,102.67
2037	\$ 317.93	\$ 285.69	\$ 1,199.34	\$ 1,888.81	\$ 187.93	\$ 222.41	\$ 4,102.10
2038	\$ 330.85	\$ 270.99	\$ 1,274.30	\$ 1,818.35	\$ 180.34	\$ 226.86	\$ 4,101.68
2039	\$ 343.78	\$ 255.68	\$ 1,357.01	\$ 1,743.48	\$ 172.31	\$ 231.40	\$ 4,103.66
2040	\$ 356.70	\$ 239.78	\$ 1,442.31	\$ 1,663.76	\$ 163.81	\$ 236.02	\$ 4,102.38
2041	\$ 372.21	\$ 223.29	\$ 1,532.78	\$ 1,579.02	\$ 154.82	\$ 240.75	\$ 4,102.85
2042	\$ 390.30	\$ 205.14	\$ 1,625.83	\$ 1,488.97	\$ 145.29	\$ 245.56	\$ 4,101.09
2043	\$ 405.81	\$ 186.11	\$ 1,729.22	\$ 1,393.46	\$ 135.21	\$ 250.47	\$ 4,100.28
2044	\$ 423.90	\$ 166.33	\$ 1,840.36	\$ 1,289.70	\$ 124.53	\$ 255.48	\$ 4,100.32
2045	\$ 444.58	\$ 145.67	\$ 1,956.68	\$ 1,179.28	\$ 113.21	\$ 260.59	\$ 4,100.01
2046	\$ 465.26	\$ 123.99	\$ 2,080.75	\$ 1,061.88	\$ 101.21	\$ 265.80	\$ 4,098.89
2047	\$ 485.94	\$ 101.31	\$ 2,215.16	\$ 937.03	\$ 88.48	\$ 271.12	\$ 4,099.04
2048	\$ 506.62	\$ 77.62	\$ 2,359.90	\$ 804.13	\$ 74.97	\$ 276.54	\$ 4,099.78
2049	\$ 529.88	\$ 52.92	\$ 2,509.82	\$ 662.53	\$ 60.64	\$ 282.07	\$ 4,097.87
2050	\$ 555.73	\$ 27.09	\$ 2,670.08	\$ 511.94	\$ 45.44	\$ 287.71	\$ 4,097.99
2051	\$ -	\$ -	\$ 2,840.67	\$ 351.74	\$ 29.31	\$ 71.20	\$ 3,292.93
2052	\$ -	\$ -	\$ 3,021.61	\$ 181.30	\$ 15.11	\$ 72.63	\$ 3,290.64
Total	\$ 9,113.94	\$ 7,149.46	\$ 42,359.39	\$ 47,743.74	\$ 4,770.28	\$ 6,220.62	\$ 117,357.43

Footnotes:

[a] Interest on the Major Improvement Area Bonds is calculated at 4.125%, 4.625%, and 4.875% for term bonds maturing in 2030, 2040, and 2050 respectively.

[b] Interest on the Improvement Area #2 Bonds is calculated at 4.875%, 5.250%, 5.875% and 6.000% for term bonds maturing in 2057, 2032, 2042 and 2052 respectively.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**WILLIAMSBURG EAST PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA
#2 INITIAL PARCEL BUYER DISCLOSURE**

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 sale;
- 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 a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a 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 purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser 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.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF FATE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**IMPROVEMENT AREA #2 INITIAL PARCEL PRINCIPAL ASSESSMENT:
\$19,914,000.00**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Fate, 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 *Williamsburg East 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 City of Fate. The exact amount of each annual installment will be approved each year by the Fate 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 City of Fate.

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.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[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.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[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.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

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]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 INITIAL PARCEL

Improvement Area #2 Initial Parcel - Annual Installments							
Installment Due 1/31	Major Improvement Area Bonds		Improvement Area #2 Bonds		Additional Interest	Annual Collection Costs	Total Annual Installment ^[c]
	Principal	Interest ^[a]	Principal	Interest ^[b]			
2024	\$ 76,000.00	\$ 164,552.50	\$ 228,000.00	\$ 954,471.26	\$ 99,570.00	\$ 66,516.71	\$ 1,589,110.47
2025	\$ 79,000.00	\$ 161,417.50	\$ 239,000.00	\$ 943,356.26	\$ 98,050.00	\$ 67,847.04	\$ 1,588,670.80
2026	\$ 82,000.00	\$ 158,158.76	\$ 251,000.00	\$ 931,705.00	\$ 96,460.00	\$ 69,203.99	\$ 1,588,527.75
2027	\$ 84,000.00	\$ 154,776.26	\$ 265,000.00	\$ 919,468.76	\$ 94,795.00	\$ 70,588.06	\$ 1,588,628.08
2028	\$ 87,000.00	\$ 151,311.26	\$ 279,000.00	\$ 906,550.00	\$ 93,050.00	\$ 71,999.83	\$ 1,588,911.09
2029	\$ 90,000.00	\$ 147,722.50	\$ 294,000.00	\$ 891,902.50	\$ 91,220.00	\$ 73,439.82	\$ 1,588,284.82
2030	\$ 93,000.00	\$ 144,010.00	\$ 310,000.00	\$ 876,467.50	\$ 89,300.00	\$ 74,908.62	\$ 1,587,686.12
2031	\$ 97,000.00	\$ 140,173.76	\$ 327,000.00	\$ 860,192.50	\$ 87,285.00	\$ 76,406.79	\$ 1,588,058.05
2032	\$ 100,000.00	\$ 135,687.50	\$ 346,000.00	\$ 843,025.00	\$ 85,165.00	\$ 77,934.93	\$ 1,587,812.43
2033	\$ 104,000.00	\$ 131,062.50	\$ 366,000.00	\$ 824,860.00	\$ 82,935.00	\$ 79,493.63	\$ 1,588,351.13
2034	\$ 109,000.00	\$ 126,252.50	\$ 387,000.00	\$ 803,357.50	\$ 80,585.00	\$ 81,083.50	\$ 1,587,278.50
2035	\$ 113,000.00	\$ 121,211.26	\$ 412,000.00	\$ 780,621.26	\$ 78,105.00	\$ 82,705.17	\$ 1,587,642.69
2036	\$ 118,000.00	\$ 115,985.00	\$ 437,000.00	\$ 756,416.26	\$ 75,480.00	\$ 84,359.27	\$ 1,587,240.53
2037	\$ 123,000.00	\$ 110,527.50	\$ 464,000.00	\$ 730,742.50	\$ 72,705.00	\$ 86,046.46	\$ 1,587,021.46
2038	\$ 128,000.00	\$ 104,838.76	\$ 493,000.00	\$ 703,482.50	\$ 69,770.00	\$ 87,767.39	\$ 1,586,858.65
2039	\$ 133,000.00	\$ 98,918.76	\$ 525,000.00	\$ 674,518.76	\$ 66,665.00	\$ 89,522.73	\$ 1,587,625.25
2040	\$ 138,000.00	\$ 92,767.50	\$ 558,000.00	\$ 643,675.00	\$ 63,375.00	\$ 91,313.19	\$ 1,587,130.69
2041	\$ 144,000.00	\$ 86,385.00	\$ 593,000.00	\$ 610,892.50	\$ 59,895.00	\$ 93,139.45	\$ 1,587,311.95
2042	\$ 151,000.00	\$ 79,365.00	\$ 629,000.00	\$ 576,053.76	\$ 56,210.00	\$ 95,002.24	\$ 1,586,631.00
2043	\$ 157,000.00	\$ 72,003.76	\$ 669,000.00	\$ 539,100.00	\$ 52,310.00	\$ 96,902.29	\$ 1,586,316.05
2044	\$ 164,000.00	\$ 64,350.00	\$ 712,000.00	\$ 498,960.00	\$ 48,180.00	\$ 98,840.33	\$ 1,586,330.33
2045	\$ 172,000.00	\$ 56,355.00	\$ 757,000.00	\$ 456,240.00	\$ 43,800.00	\$ 100,817.14	\$ 1,586,212.14
2046	\$ 180,000.00	\$ 47,970.00	\$ 805,000.00	\$ 410,820.00	\$ 39,155.00	\$ 102,833.48	\$ 1,585,778.48
2047	\$ 188,000.00	\$ 39,195.00	\$ 857,000.00	\$ 362,520.00	\$ 34,230.00	\$ 104,890.15	\$ 1,585,835.15
2048	\$ 196,000.00	\$ 30,030.00	\$ 913,000.00	\$ 311,100.00	\$ 29,005.00	\$ 106,987.95	\$ 1,586,122.95
2049	\$ 205,000.00	\$ 20,475.00	\$ 971,000.00	\$ 256,320.00	\$ 23,460.00	\$ 109,127.71	\$ 1,585,382.71
2050	\$ 215,000.00	\$ 10,481.26	\$ 1,033,000.00	\$ 198,060.00	\$ 17,580.00	\$ 111,310.27	\$ 1,585,431.53
2051	\$ -	\$ -	\$ 1,099,000.00	\$ 136,080.00	\$ 11,340.00	\$ 27,547.10	\$ 1,273,967.10
2052	\$ -	\$ -	\$ 1,169,000.00	\$ 70,140.00	\$ 5,845.00	\$ 28,098.04	\$ 1,273,083.04
Total	\$ 3,526,000.00	\$ 2,765,983.84	\$ 16,388,000.00	\$ 18,471,098.82	\$ 1,845,525.00	\$ 2,406,633.28	\$ 45,403,240.94

Footnotes:

- [a] Interest on the Major Improvement Area Bonds is calculated at 4.125%, 4.625%, and 4.875% for term bonds maturing in 2030, 2040, and 2050 respectively.
- [b] Interest on the Improvement Area #2 Bonds is calculated at 4.875%, 5.250%, 5.875% and 6.000% for term bonds maturing in 2057, 2032, 2042 and 2052 respectively.
- [c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.



To: Honorable Mayor & City Council

From: Michael Kovacs, City Manager

Raju Anthony, Director of Finance

Date: August 17, 2023

Agenda Item & Caption: Public hearing on 2023 tax year proposed tax rate in accordance with Texas Property Tax Code

Action Requested: Conduct public hearing on 2024 tax year proposed tax rate and vote on 2024 tax year proposed tax rate.

Prior Action: On July 17, 2023, the City Council passed Resolution No. R-2023-058 calling public hearing on the 2023 tax year proposed tax rate to be held on August 14, 2023. In addition, City Council announced that it will vote on the proposed tax rate on August 21, 2023 City Council meeting.

On July 27, 2023 "Notice of 2023 tax year proposed property tax rate for the City of Fate, Texas" was posted on City's website.

On July 27, 2023 "Notice of 2023 tax year proposed property tax rate for the City of Fate, Texas" was published in City's official newspaper Royse City Herald Banner.

Overview and Background:

In accordance with Truth-In-Taxation Law, taxpayers have the opportunity to express their views on the proposed tax rate. Section 26.05(d) of the law requires a taxing unit to hold public hearing and publish notices in the newspaper before adopting a tax rate that exceeds the lower of the No-New-Revenue Tax Rate or Voter-Approval Tax Rate. Today's public hearing is the required public hearing.

Financial Considerations: On July 17, City Council set the maximum tax rate at .285000. Based on the 2023 Tax Rate Calculation Worksheet from RCAD, the City's No-New Revenue Tax Rate is .249358, Voter-Approval Tax Rate is .253389, and De-Minimis Tax Rate is .26421, per \$100 assessed valuation. The City's FY 2023-2024 proposed budget includes a proposed tax rate of \$0.26421, \$100 assessed valuation. The proposed tax rate exceeds the No-New-Revenue Tax Rate and Voter-Approval Tax Rate, but is the same as the Deminimis Tax Rate.

Supporting Documents:

- Notice of public hearing on tax increase for the 2023 tax year for the City of Fate, Texas

Statements required in notice if the proposed tax rate exceeds the no-new-revenue tax rate and the voter-approval tax rate but does not exceed the de minimis rate, as prescribed by Tax Code §§26.06(b-1) and 26.063(c).

NOTICE OF PUBLIC HEARING ON TAX INCREASE

This notice only applies to a taxing unit other than a special taxing unit or municipality with a population of less than 30,000, regardless of whether it is a special taxing unit.

A tax rate of \$.26421 per \$100 valuation has been proposed by the governing body of
City of Fate

PROPOSED TAX RATE	\$ <u>.26421</u>	per \$100
NO-NEW-REVENUE TAX RATE	\$ <u>.249358</u>	per \$100
VOTER-APPROVAL TAX RATE	\$ <u>.253389</u>	per \$100
DE MINIMIS RATE	\$ <u>.26421</u>	per \$100

The no-new-revenue tax rate is the tax rate for the 2023 tax year that will raise the same amount
(current tax year)
of property tax revenue for City of Fate from the same properties in both
(name of taxing unit)
the 2022 tax year and the 2023 tax year.
(preceding tax year) (current tax year)

The voter-approval tax rate is the highest tax rate that City of Fate may adopt without holding
(name of taxing unit)
an election to seek voter approval of the rate, unless the de minimis rate for City of Fate exceeds the
(name of taxing unit)
voter-approval tax rate for City of Fate.
(name of taxing unit)

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for City of Fate,
(name of taxing unit)
the rate that will raise \$500,000, and the current debt rate for City of Fate.
(name of taxing unit)

The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Fate is proposing
(name of taxing unit)
to increase property taxes for the 2023 tax year.
(current tax year)

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON August 21, 2023, 6:00 PM
(date and time)
at 1900 CD Boren Parkway, Fate, TX 75087
(meeting place)

The proposed tax rate is greater than the voter-approval tax rate but not greater than the de minimis rate. However, the proposed tax rate exceeds the rate that allows voters to petition for an election under Section 26.075, Tax Code. If City of Fate
(name of taxing unit)
adopts the proposed tax rate, the qualified voters of the City of Fate may petition the City of Fate
(name of taxing unit) (name of taxing unit)
to require an election to be held to determine whether to reduce the proposed tax rate. If a majority of the voters reject the proposed tax rate, the tax rate of the City of Fate will be the voter-approval tax rate of the City of Fate.
(name of taxing unit) (name of taxing unit)

YOUR TAXES OWED UNDER ANY OF THE TAX RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

$$\text{Property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

(List names of all members of the governing body below, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating absences.)

FOR the proposal: _____

AGAINST the proposal: _____

PRESENT and not voting: _____

ABSENT: _____

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by City of Fate last year
(name of taxing unit)
to the taxes proposed to be imposed on the average residence homestead by City of Fate this year.
(name of taxing unit)

	2022	2023	Change
Total tax rate (per \$100 of value)	.293832	.26421	(\$.029622)
Average homestead taxable value	\$310,825	\$329,961	\$19,136
Tax on average homestead	\$913.30	\$871.79	(\$41.51)
Total tax levy on all properties	\$6,783,975	\$7,637,046	\$853,071



To: Honorable Mayor & City Council

From: Michael Kovacs, City Manager & Raju Anthony, Director of Finance

Date: August 18, 2023

Agenda Item & Caption: Consider an ordinance approving and adopting the budget for the City of Fate for the fiscal year beginning October 1, 2023 and ending September 30, 2024; making appropriations for each fund and department; providing for fiscal and budgetary guidelines; repealing conflicting ordinances; providing a severability clause; and declaring an effective date.

Action Requested: Approval of the Ordinance

Overview and Background: Party responsible for placing agenda item, Michael Kovacs, City Manager.

The City Manager's proposed budget was delivered on July 14th. A series of budget workshops were held on May 23rd, June 27th, July 5th, July 17, and August 14th. Prior to the budget development, a Citizen survey with both scientific and self-initiated online survey responses was conducted in the winter, and the Council updated its strategic plan to help inform needed work on City service levels.

Emphasis this year provided by the Council during the budget workshops and meetings highlighted the need for added traffic enforcement and DPS staffing. In response, a two-person traffic unit was added with the potential to add two more officers for regular shift staffing later in the fiscal year. A grant is pending to the USDOJ (U.S. Department of Justice) for four officers as part of a veteran-to-police initiative proposed by Fate DPS. DPS salaries are also proposed to move to 90% of the market of our comparison cities from the current 50% of market, to stabilize the current force and incent new officers.

To assist with road maintenance costs, we are recommending a new street maintenance fee to be charged monthly for all residential homes and multi-family units. The rate for single-family homes would be \$3 monthly, and for multi-family units the rate would be \$1.23 per unit (this is the maximum for this land use type based on our engineers' recommendation using accepted trip generation rates).

NewGen recommends no water and sewer utility rate increases for FY 2024, based on the rate study.

Due to contractual CPI increases with Waste Connections, we are proposing an increase to the solid waste fees for residential and commercial (cart) customers, to include any extra recycling carts, and extra trash polycarts. The increase would be \$1.22 monthly for residential customers, \$4.88 for commercial customers, \$.13 for extra recycling carts, and \$.67 for extra trash polycarts. We have added \$1.05 for Household Hazardous Waste and E-Waste monthly for residential customers within the City limits. Drop-off event costs and participation rates were analyzed and are not similar.

Financial Considerations: On the July 17th meeting, the City Council set the maximum tax rate at .285000, per \$100 assessed valuation. Based on the 2023 Tax Rate Calculation Worksheet from RCAD, the City's No-New Revenue Tax Rate is .249358, the Voter-Approval Tax Rate is .253389, and the De-Minimis Tax Rate is .264210, per \$100 assessed valuation. The City's FY 2023-2024 proposed budget includes a proposed tax rate of \$0.264210, \$100 assessed valuation.

Supporting Documents:

- Ordinance
- Proposed budget

ORDINANCE NO. O-2023-__

AN ORDINANCE OF THE CITY OF FATE, TEXAS, APPROVING AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024, IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE 102-007 AND APPROVING CATEGORY APPROPRIATIONS FOR EACH FUND AND DEPARTMENT; PROVIDING FOR FISCAL AND BUDGETARY GUIDELINES; REPEALING CONFLICTING ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, as required by Article 6 of the City Charter, the City Manager has prepared and submitted to the City Council a budget estimate of expenditures and revenues of all City departments, activities and offices for the fiscal year beginning October 1, 2023 and ending September 30, 2024; and

WHEREAS, said 2023-2024 budget has been filed with the City Secretary of the City of Fate, Texas as required by Article 6.02 of the City Charter; and

WHEREAS, notices of public hearing upon said 2023-2024 budget have been duly and legally posted or published as required by law; and

WHEREAS, said public hearing was held on August 14, 2023 and full and final consideration was given said budget; and

WHEREAS, the City Council of the City of Fate, Texas has determined that the proposed FY 2023-2024 budget will be sufficient to provide the needed services to Fate residents;

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

Section 1. For the purpose of providing the funds necessary and proposed to be expended in the Budget of the City of Fate, Texas for the fiscal year beginning October 1, 2023 and ending September 30, 2024, the Budget prepared by the City Manager and submitted to the City Council for its consideration and approval, said Budget for the different funds of the City of Fate, Texas are hereby fixed as follows:

Section 2. The Budget for the fiscal year beginning October 1, 2023 and ending September 30, 2024, approved herein, is on file in the City Secretary Office.

FUND #	FUND NAME	FY24 BUDGET
100	GENERAL FUND	\$ 14,959,878
201	ROAD MAINTENANCE FUND	\$ 1,072,000
202	CAPITALPROJECTS-GENERAL FUND	\$ 1,644,058
203	WOODCREEK SIGNALS FUND	\$ 50,000
207	SERIES 2021A GO BOND CONSTRUCTION FUND	\$ 2,930,542
351	DEBT SERVICE-GENERAL	\$ 1,790,803
352	MDD #1 DEBT SERVICE FUND	\$ 149,375
401	MUNICIPAL DEVELOPMENT DISTRICT #1 FUND	\$ 1,142,040
403	FATE PUBLIC FACILITY CORP FUND	\$ 50,000
514	EDGEWATER PID MAINTENANCE	\$ 600
610	COURT CHILD SAFETY FUND	\$ 4,444
612	COURT SECURITY FUND	\$ 5,617
613	COURT TECHNOLOGY FUND	\$ 7,000
614	FEDERAL SEIZURE FUND	\$ 11,000
615	STATE SEIZURE FUND	\$ 101,500
616	ROADWAY IMPACT FUND	\$ 11,777,648
617	PUBLIC SAFETY FUND	\$ 1,865
618	FIRE DONATION FUND	\$ 657
710	PARKS FUND	\$ 70,500
713	PARK DEVELOPMENT FUND-DISTRICT C	\$ 123,000
810	UTILITY FUND	\$ 16,116,016
825	WATER IMPACT FUND	\$ 3,764,527
826	WASTEWATER IMPACT FUND	\$ 5,759,904
850	WATER CAPITAL REPLACEMENT FUND	\$ 115,575
851	SEWER CAPITAL REPLACEMENT FUND	\$ 170,000
853	W&S-CAPITAL PROJECT FUND	\$ 6,666,907
854	WATER CAP PRO-STORAGE TANK FUND	\$ 243,125
855	PARKER CREEK INTERCEPTOR FUND	\$ 182,847
856	SERIES 2022 CO BOND CONSTRUCTION FUND	\$ 7,852,593
875	WS DEBT SERVICE FUND	\$ 1,196,775
880	STORM WATER FUND	\$ 294,768
890	SOLID WASTE FUND	\$ 2,098,029
	TOTAL FUND EXPENDITURES	\$ 80,353,593

Section 3. The Budget for the fiscal year beginning October 1, 2023 and ending September 30, 2024 shall be made in accordance with the Budget approved by this ordinance unless otherwise authorized by duly enacted ordinance of the City of Fate, Texas.

Section 4. The City Manager is hereby authorized to approve expenditures up to the amount set forth in the financial policies adopted by City Council, with any expenditure over such amount requiring the approval of the City Council.

Section 5. The administration and execution of said budget for fiscal year beginning October 1, 2023 and ending September 30, 2024 shall be subject to certain fiscal and budgetary policies as adopted by the City Council.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$853,071, which is a 12.57 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$445,381.

Section 6. That all other ordinances and code provisions in conflict herewith are hereby repealed to the extent of any such conflict or inconsistency.

Section 7. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality 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 in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section 8. This Ordinance shall be in full force and effect from and after its passage and it is so ordained.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS ON this 21st DAY OF AUGUST 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary

<u>Council Member</u>	<u>Voted For</u>	<u>Voted Against</u>
David Billings, Mayor	_____	_____
Allen Robbins, Mayor Pro Tem	_____	_____
Lance Megyesi, Deputy Mayor Pro Tem	_____	_____
Heather Buegeler	_____	_____
Mark Harper	_____	_____
Scott Kelley	_____	_____
Jim DeLand	_____	_____

CITY OF FATE
PROPOSED ANNUAL OPERATING AND CIP BUDGET
FISCAL YEAR 2023-2024





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Fate
Texas**

For the Fiscal Year Beginning

October 01, 2022

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Fate, Texas** for its annual budget for the fiscal year beginning October 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. The City has received the award for ten consecutive years.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$853,071 which is an 12.57 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$445,381.

The members of the City Council voted on the budget as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

<i>PROPERTY TAX RATE COMPARISONS</i>		
<i>Tax Rate</i>	<i>Fiscal Year 2022-23</i>	<i>Fiscal Year 2023-24</i>
Proposed	\$0.293832 per \$100	\$0.264210 per \$100
No-New-Revenue	\$0.276363 per \$100	\$0.249358 per \$100
Voter-Approval	\$0.279454 per \$100	\$0.253389 per \$100
De Minimis	\$0.293832 per \$100	\$0.264210 per \$100
No-New-Revenue Maintenance & Operations	\$0.195833 per \$100	\$0.185037 per \$100
Debt	\$0.076767 per \$100	\$0.061876 per \$100

The total debt obligation secured by property taxes for the City of Fate is \$21,120,000

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INTRODUCTORY



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BUDGET TRANSMITTAL LETTER

July 2023

Dear Honorable Mayor, City Council Members, and Fate Citizens:

In accordance with Article 6 of the City of Fate Charter and Chapter 102 of the Texas Local Government Code, I am pleased to present for your consideration the proposed annual budget for fiscal year 2023-2024, beginning October 1, 2023. The budget is the financial plan for the City of Fate for the coming year. In addition, the budget is a policy tool for the Council, an operations guide for the staff, and a communications tool for the public. The budget document provides details for policy decisions and informs our citizens on Fate's current financial status, as well as the City's future plans. Please accept this letter as my budget transmittal and executive summary.

Significant Accomplishments in Fiscal Year 2023

- Updated Public Safety compensation market data and incorporated into current pay plan to remain competitive in a difficult labor market.
- Received an award from the International City/County Management Association (ICMA) for Strategic Leadership and Governance for the City's New Development Fiscal Analysis.
- Continued Economic Development efforts with partners for new businesses locating in Fate, such as Jersey Mike's, McDonald's, Starbucks, Beer Geeks, maintaining the "Food Haul" food truck court in downtown to grow small businesses, and continuing economic development agreements for the construction of two downtown mixed-use buildings, "The Park" and "Fate Place."
- Received Comptrollers' Transparency Award in the Traditional Finance category.
- Partnered with the YMCA to create the first ever youth sports programming for the community.
- Completed construction of Phase I of Fate Station and Joe Burger Parks and created soccer game fields at Robert Smith Family Park.
- Completed a new Parks & Trails Master Plan.
- Implemented new public communications tools such as SeeClickFix, Frase Answer Engine (website AI), and Zencity to allow for improved community engagement and reporting.
- Adopted Unified Development Ordinance updates, establishing revisions to zoning districts, development and subdivision standards, connectivity standards, downtown sign codes, and parking schedules; to encourage fiscally productive and sustainable building.
- Worked on design, development, bidding, and project management for Water Pump Station 3. Construction is beginning. This is the largest public works project in City history undertaken directly by the City of Fate, at a total cost of over \$20 million.

Fate's Progress

Despite high housing demands, inflation mixed with higher interest rates slowed home production in Fate in the first half of fiscal year 2023, but housing is picking up again as we move toward the end of the fiscal year. We estimate that our population is nearly 24,400 now and by the end of Fiscal Year 2024, will be nearly 26,500, based on lots being built on and other developments underway. The development of existing entitled lots in Fate continues, but at a slower pace, with 244 residential building permits and 24 commercial building permits issued this year through June 30th. The City continues to see large-scale residential development in sections of existing zoned planned unit developments such as Woodcreek and Williamsburg, but now our newer developments building, and some have families moving in. Places like Avondale and Edgewater, more compact single-family neighborhoods that have

better economics for the City in both operating costs and long-term capital costs. Urban living is a success in Fate with the three-story vertical mixed-use building in downtown. The Gala is our new senior housing apartment complex just southeast of the existing old town grid, and it is in high demand. New apartments south of FRESH are about to have tenants moving in, and a second phase of apartments have received their building permits. The City is continuing to focus on ways of creating fiscally productive denser developments with a sense of place in our downtown and surrounding areas with several mixed-use buildings now under construction and in the planning process. A new comprehensive plan was completed in 2021 and includes an award-winning fiscal impact component to it to guide the staff, Planning & Zoning Commission, and City Council on how to construct the remainder of Fate to improve our economics and livability. A new Unified Development Ordinance (zoning code) was passed in 2022 to implement the plan's policies.

Numerous businesses are under construction and opening near the Brookshires store on the south side of town. The City's business areas on I-30, downtown, and even in smaller pockets around the town are beginning to see significant activity. This is good as Fate begins a more balanced growth portfolio aimed at business-oriented development.

Revenues

Revenues in the General Fund consist of different sources including property taxes, sales taxes, permit revenues, franchise fees, among others. The certified value after deducting the homestead exemptions and senior tax ceilings is estimated at \$2,890,521,347. This value reflects \$581,727,283 more in assessed value or 25% more than the prior year taxable value of \$2,308,794,064. This budget will raise more revenue from property taxes than last year's budget by an amount of \$853,071, which is a 12.57% increase from last year's budget. The budget proposes a tax rate of .264210 per hundred dollars of the assessed value. This is a decrease of .02962 cents from last year. Of this tax rate, 77% will be dedicated to operations and maintenance and 23% will be dedicated to debt service. The property tax revenue to be raised from new property added to the tax roll this year is \$445,381. Sales tax receipts continue to come in at record highs due to commercial growth. We are estimating \$3,697,000, which is \$514,000 or 16% more than the previous year. Permitting revenues are predicted to be lower next year than the historic highs of 2020-2022 but are still a significant source of General Fund revenues. We are projecting 451 single family residential for the upcoming fiscal year and 10 new commercial permits. State legislative changes to tax law have restricted the City's ability to address demands for services, but we are proposing to continue using a law allowing for what is called, the "De Minimis" rate. This allows for just slightly more revenue from existing properties.

Utility Fund revenues are strong, though the water and sewer projects now building are costly. Customer growth is strong, and the City only recently raised its sewer fee last year to allow for the construction of a new wastewater plant in conjunction with the City of Royse City. Trash and recycling rates are needing to increase by \$1.22 for residential customers, and \$4.88 monthly for commercial customers to provide for the contract increases. Additionally, a new road fee is proposed at \$3 monthly for all City utilities customers to further assist with roadway maintenance efforts. Those increases are proposed to being collection in October 2023. The City received \$3.8M as part of the American Rescue Plan Act. This is direct non-competitive federal formula grant from the U.S. Treasury Department. The use of those funds are proposed to be for the Water Pump Station 3 project.

Expenditures

Next year, the City is undertaking a host of capital projects. including Water Pump Station 3, which includes a new ground storage tank, a new sewer plant expansion in partnership with NTMWD and the City of Royse City, construction of the City's 2021 Road Bond projects, street maintenance, and completion of the third floor finish out in a new building in downtown that the City will lease as part of our placemaking and economic development efforts. The City continues to provide quality services to our fast-growing town as we work toward the Council's desires to manage growth and make progress in their

identified strategic priorities of Public Safety, Fiscal Resiliency & Accountability, nurturing a Sense of Community, and providing Sustainable Infrastructure & Services.

Operational critical functions such as Fate DPS are proposed to receive large upward salary and wage adjustments, plus the addition of at least two full time positions (possibly four) to address growing patrol, fire/emergency medical response, and school safety needs. A potential partnership with the U.S. Department of Justice (USDOJ) could provide needed funding, and the City is prepared to provide matching money. Additional funds for added DPS officers could be allocated from contingency funds in the event grant funding is not awarded, depending on other needs in the General Fund at the time of the USDOJ communications to us, and the desires of the City Council. No new civilian or non-sworn positions are proposed for the next fiscal year.

Capital Improvements Program

The following projects are included in the proposed Capital Improvement Program for the next fiscal year for an estimated total of \$22,599,010:

- Pump Station 3 - This critical water project's design is complete, and construction has started and will run through FY 2025.
- New Road Construction – Multiple road bond projects work are underway and will run through FY 2025. Improvements to key bottleneck are already coming online as part of the road bond workplan.
- A waterline on North Ben Payne is proposed to make pressure enhancements and connections in conjunction with the Water Pump Station 3 project.
- Preventative Maintenance and Repairs – For roads all over the City to reduce future repair costs and better manage our most expensive assets, our road system.
- MDD Building Third Floor Finish-Out – The City will finish out a floor of the new MDD building and rent out spaces to provide co-working spaces and an economic incubator to help start new businesses.

Thank you for the opportunity to serve you, our residents, and our businesses as we continue to take Fate forward into the future.

Sincerely,



Michael Kovacs
City Manager

GENERAL INFORMATION

Introduction

The Operating Budget is presented in an easy-to-read format to provide access to the greatest number of citizens. The document begins with a transmittal letter from the City Manager to Fate's governing body and citizens, which gives an overview of the City's business plan and financial condition for the year. This is followed by general information about the budget including its legal foundation and supporting policies.

The budget is one of the most valuable documents provided by the City. It serves multiple purposes, such as:

Policy Document – The budget document defines the goals and strategic plan established by the City Council and the objectives each department needs to fulfill in order to accomplish these goals.

Financial Management Plan – The budget document provides both summary and detailed information on revenues and expenditures to ensure that city operations are funded, and reserves are maintained.

Communication Device – The budget document communicates additional information on city operations to the public.

Fund Balance

In accordance with the requirements of the Governmental Accounting Standards Board (GASB), the City describes fund balance as 1) Un-Spendable; 2) Restricted; 3) Committed; 4) Assigned; and 5) Unassigned. The City has reserved unassigned fund balance at 120 days of current year budgeted expenditures for both the General and Utility Funds. In other operating funds, the City shall strive to maintain a positive retained earnings position to provide sufficient reserves for emergencies and revenue shortfalls. Except for special revenue funds, fund balance shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings.

Basis of Accounting

The basis of accounting is the method by which revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds for the City of Fate are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets.

Basis of Budgeting

Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) and Government Accounting Standard Board (GASB). Governmental fund type budgets are prepared on a modified accrual basis. Governmental revenues are budgeted when they are measurable and available, and expenditures are budgeted the period in which the liability is incurred. All proprietary fund types are budgeted using a flow of economic resources measurement focus and use the accrual basis of accounting. Revenues are budgeted when they are earned and measurable and expenses are budgeted in the period in which the liability was incurred.

Financial Structure

The accounts of the City of Fate, Texas are organized based on funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and

expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Fund Type

General Fund – The General Fund is the general operating fund of the City. All basic operations of the City such as public safety, finance, municipal court, property standards, information technology, human resources. Property taxes collected from the homeowners, and sales tax collected from the retailers are deposited into this fund. It is to be used for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are to be used to account for proceeds of specific sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. Examples are Court Child Safety Fund, Federal and State Seizure Funds, and Court Technology Fund.

Capital Project Funds – Capital Project Funds are used to account for the accumulation of resources for, and the payment of, construction projects related to capital improvements.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of, the City's property tax supported debt principal, interest, and related costs.

Proprietary Fund Type

Utility Fund - Utility Fund is used to account for the receipt of water and sewer utility fees and other financial resources for construction, operations, and maintenance of the City's water and sewer system.

Storm Water Fund- Storm Water Fund is used to account for the receipt of storm water utility fees and other financial resources for construction, operations, and maintenance of the City's storm water drainage system.

Solid Waste Fund- Solid Waste Fund is used to account for the operations of the City's refuse collection and disposal services.

Water and Sewer Debt Service Funds – Water and Sewer Debt Service Funds are used to account for the City's water distribution and wastewater collection systems. Debt principal, interest, and related costs are paid out of utility fund revenue.

Blended Component Unit Funds

Fate Municipal Development District No. 1 - Fate Municipal Development District No. 1 is a political subdivision of the State of Texas and the City for the purposes set forth in the Bylaws, the same to be accomplished on behalf of the City as its duly constituted authority and instrumentality in accordance with Chapter 377 of the TEXAS LOCAL GOVERNMENT CODE (the "Act"), and other Applicable laws. The District was established for the purpose of developing and financing all permissible projects prescribed by the Act.

On November 4, 2014, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (1/2 of 1%) for economic development. The sales tax for economic development is collected solely for the benefit of Fate Municipal Development District No. 1.

Fate Public Facility Corporation - On September 16, 2019, the City Council approved the certificate of formation and bylaws for the Fate Public Facility Corporation under chapter 303 of the Texas Local Government Code. The corporation is organized exclusively for the purpose of assisting the City in the financing, refinancing, owning, or providing public facilities. The corporation is a nonprofit corporation and its earning after payment of its expenses shall be spent for the benefit of the City.

CITY HISTORY

Here in the city of Fate, we have strong ties to our past as we build toward the future. The unique name of the town is derived from a nickname of one of two residents, either William Lafayette Brown or GW Lafayette Peyton. Which former resident named the City has been debated for years. According to a 1976 City document, "there is considerable agreement that the town was named for William Lafayette Brown." However, there are no absolute evident records for verification of the inception of the town's name. Therefore, it will never be known for sure. What is known, is that there were two influential gentlemen nicknamed "Fate" who lived in the area during the 1860s. Three important aspects of life played a role in the naming of our City; land ownership, a post office, and the railroad. Since the town was small, it is likely that both the Brown and Peyton families were common relatives with Fate's first postmaster Harvey Peyton White and could have been named after either or both men.



The town of Fate was settled shortly after the Civil War in the 1860s and is located one-and-a-half miles to the north of its current location on Farm to Market Road 552. The area was known as an oasis for travelers as the wells never ran dry even during droughts.

William Lafayette "Fate" Brown (1835-1903) was born in Mississippi and had three children with his wife Lilia A. Brown. Brown was a leading member of the community who ran a feed store. Brown was integral in establishing a Post Office in 1880. Until this time, the settlers received their mail by stagecoach. According to legend, he proposed calling the area Brown Springs after his surname and the natural springs on the land. However, being that there was already a Brown Springs Post Office in Texas, Mrs. Brown suggested calling the area Lafayette's nickname, "Fate." The Fate post office was established on July 13, 1880, with Harvey Peyton White as the first postmaster.

The little history that we know about George Washington Lafayette "Fate" Peyton (1835-1915) comes from the 1880 and 1910 Census and land records. He was born in Tennessee in 1835 and later moved to Texas to become a vast landowner and farmer. With his first wife Lucy A. Clayton Peyton (1833-1896), Lafayette had three children. After Lucy's death, the 1910 census reports that at the age of 65 he married Rebecca J. Peyton. Today, the Peyton family remains lay in the Mount Zion Cemetery along Farm to Market Road 552.

Meanwhile, the neighboring landowner, Dr. Wiley Turner Barnes (1831-1901) of Alabama, purchased 320 acres from Mark Crabtree, the original land grantee, on December 24, 1864. This land is the current Fate downtown area. Dr. Barnes owned all the land on which the town was built, therefore he named it after himself. As settlers moved into the area, Barnes divided his land into lots. The two towns of Fate and Barnes coexisted in harmony.

As the area continued to develop, the Missouri-Kansas-Texas Railroad constructed a line to run through Barnes in 1886. This development brought rapid growth to the town. Fate had a post office and Barnes had the M-K-T Railroad, two important aspects of life in the late 1800s. Since Barnes had no post office, the people agreed to accept the name of Fate in return for postal services. On February 11, 1887, the two towns combined. The residents of Fate packed and moved their homes either to Royse City, Rockwall or toward the railroad that still runs through the middle of town today in the city called Fate.

William Lafayette "Fate" Brown moved to Rockwall to become the sheriff of Rockwall County from December 1886 until November 1892. After Brown's career as the Rockwall County Sheriff, he became the Rockwall Postmaster from 1893 until 1897. According to the 1900 census, at the age of 65 Brown was a landlord. Today, the Brown family remains lay in the Rockwall Memorial Cemetery along State Highway 66.

By the mid-1880s Fate had a population of 100. There were nine businesses in Fate that included a cotton gin, two general stores, and two organized churches, the Presbyterian and Baptist. Children attended school in a small two-room schoolhouse and most adults held the occupation of farming. After the Civil War (1861-1865), many settlers relocated from other southern states to Texas. These new townsmen were often multi-talented, which resulted in successful businesses for Fate.



Fate prospered during the last decade of the 1800s. There were four practicing doctors, fifteen businesses including two grocery stores, two cotton gins, a barbershop, a butcher shop, a confectionery, a grain elevator, and The Fate Review newspaper.

Massey Zollner and his wife, Elizabeth, established a ranch near Fate in Rockwall County in 1876. Immigrants from Germany by way of Australia, the Zollner's soon developed a successful cotton crop on 320 acres of North Texas land. For labor, they hired men of every profession who were temporarily unemployed. Because of this practice, their place became known as "Hobo Ranch." Zollner's son Matthew and grandson Henry continued this hiring practice until 1979.

The town made history on August 1, 1899, when it became the first town in Texas to have a rural mail route. This route was redesignated as Route 3 on September 2, 1901.

Fate became incorporated in 1900 and was a busy and bustling town. The City had the distinction of being the smallest town, in the smallest county, in the largest state in the Union. Fate's population had grown to 500, not including the many farm families located around Fate. The town was growing, the real estate market was prosperous, and farmers were doing well. In addition, Fate had enough families to serve four church buildings.

On December 31, 1906, the town was devastated when a fire engulfed the south side of the business district. There was no fire station nearby and not enough buckets of water to combat the blaze. Some of the businesses rebuilt, however, the fire was a blow to the residents who had envisioned Fate growing into a large city.

From 1907-1910, some growth continued, the first bank was established, and the word on everyone's lips was BASEBALL! Everybody in and around Fate came to the games and could be heard yelling "Strychnine, Quinine, blue suits, and fuss, what in the deuce is the matter with us? Nothing at all, nothing at all, we are the boosters for Fate baseball!"

Tragedy struck again in 1910 when another fire destroyed the north side of town. The two fires in ten years were detrimental to the growth of Fate. However, growth continued slowly as a new brick school building was constructed in 1911 for a cost of \$13,000.

In 1920 a branch of the coast-to-coast Bankhead National Highway came through Fate on Highway 67. The roadway extended from Washington, D.C. to San Diego, California, by way of Alabama, home of U.S. Senator John H. Bankhead and a major supporter of the highway. Its path crossed approximately 850 miles of Texas, entering in Texarkana, and exiting through El Paso.

The depression of the 1930s and the fall of the price of cotton from \$.42 cents per pound down to \$.06 per pound resulted in some farmers losing their land. As a result of the failing economy, other businesses were forced to close as well. On July 4, 1933, a tornado destroyed much of the town.

Due to the lack of money and a low population, much of the town was never rebuilt. The population decreased to 194 as times were hard, debts were piling, and money was scarce. The high school was discontinued due to declining enrollment, leaving only an elementary school. Empty buildings were a reminder of what Fate had been in the past. The membership in the four churches had dwindled. Therefore, the four churches combined into one united church. Some may have seen this as a negative. However, it positively affected the town by bringing the people of Fate together and forming a tightly knit community.



During the 1940s and 1950s, the population continued to decline in Fate. World War II, followed by the Korean War, called many into service. Fate lost all mail routes, the school became a one-teacher school, and the railroad depot was sold to Dallas' Old City Park. By 1950, the population had dwindled to 150, and the Fate school closed its doors due to a lack of enrollment (1949). As a result, each family chose which school district to send their children to, either Royse City ISD or Rockwall ISD. The Royse City Bank gave the school building to Fate and the local men tore the building down. They used the lumber of the school to build the Community Center (still downtown today) and sold the bricks to raise funds.

As the Dallas commuter slowly began to discover the small town, Fate began to see an increase in population again. In the 1960s, the Katy Railroad donated land for a youth baseball field, and a new sewer system was built. In the 1970s the City Council began to dream of expansion with a neighborhood called Woodcreek. The Centex developer gave the City of Fate a fire truck in 1975.

In the early 1980s, the police and telephone companies adopted the 911-system. This required the streets to be named and houses to be numbered. Fate's City Council appointed a committee, who named the north-south streets for citizens of Fate and east-west streets after trees. City Hall was remodeled, and Fate celebrated its sesquicentennial.

By the 1990s Fate's population had grown to 475. The Fate Grocery Store, Brunson's Upholstery, Printer's Machinery, and Barber's Family Restaurant opened their doors to the Fate community.

With the development of subdivisions like Sleepy Hollow, Northview, and Melody Ranch, in 2002 the population had grown to 1,145. The suburban sprawl began a population boom and within one year the city saw a 51% increase to 2,030. Fate was growing exponentially. In 2005, 200 homes were constructed in Woodcreek. Despite the 2008 US housing crisis, the growth trend continued into 2010, and the population grew to 6,357.

Today, Fate's current population is estimated to have surpassed 25,000. With one mixed-use building completed, two more under construction, and more breaking ground soon, Fate's downtown area has been revitalized, and businesses continue to grow. The historic Community Center received a vital

renovation and will play an important role in hosting gatherings, meetings, and celebrations for citizens. Along the I30 Corridor, businesses such as Stags Plaza, Specs Wine, Spirits and Finer Foods, FRESH by Brookshire's, McDonalds, Jersey Mike's, and Starbucks have established a solid commercial area. New health, dining, and shopping opportunities continue to choose Downtown Fate and the Fate Village shopping center as their home, offering important services to Fate citizens.

There are twelve subdivisions that are either fully built or still under construction. These include Woodcreek, Avondale, Monterra, Spring Meadows, Williamsburg, Edgewater, Melody Ranch, Chamberlain Crossing, Sleepy Hollow, Southview Village, Northview Village, and Carrington Farms. Additionally, Phase 1 of the Prose Apartment complex has been completed and Phase 2 will begin construction soon, expanding housing options for the rapidly growing area.

This year, the Fate Station Park, Joe Burger Park, and Robert Smith Family Park continue to receive important amenities and improvements. Valued partnerships with the YMCA and Schools throughout the community have allowed residents to utilize youth sports programming opportunities that are expected to increase. Both Royse City ISD and Rockwall ISD continue to build new schools to support the growing community.

But with all the new developments in the city, we still pay homage to those who laid the foundation of this town. The Fate community was and still is filled with hardworking individuals that are resilient, influential, and tightly knit together. The names of some of these individuals can be seen all over Rockwall County.



ELECTED OFFICIALS



Mayor, David Billings



**Council Member, Place 1
Heather Buegeler**



**Council Member, Place 2
Mark Harper**



**Council Member, Place 3
Scott Kelley**



**Council Member, Place 4
and Mayor Pro Tem
Allen Robbins**



**Council Member, Place 5
Jim DeLand**



**Council Member, Place 6
and Deputy Mayor Pro Tem
Lance Megyesi**

MISSION, VISION, AND VALUES

MISSION

TO CONTINUALLY IMPROVE THE QUALITY OF LIFE IN FATE THROUGH EFFECTIVE GOVERNANCE, AND FISCALLY RESILIENT DELIVERY OF OUTSTANDING PUBLIC SERVICES.

VISION

FATE IS A VIBRANT, FINANCIALLY SOUND, AND FAMILY-ORIENTED COMMUNITY. THE CITY DELIVERS EXCEPTIONAL SERVICES THAT ENHANCE THE QUALITY OF LIFE, WHILE FOSTERING A SAFE ATMOSPHERE WHERE CITIZENS AND BUSINESSES CAN THRIVE.



LEADERSHIP TEAM



Michael Kovacs - City Manager

The City Manager leads, directs and coordinates all City operations and staff. The position is, in effect, the Chief Executive Officer, who answers to the “Board of Directors,” the Mayor and City Council, elected by you, the citizens. of Fate.



Steven Downs - Assistant City Manager

Oversees the Community & Building Safety, Planning & Development Services, Public Works, Information Technology, Engineering, and Economic & Community Development operations.



Vickey Raduechel, TRMC - City Secretary

Responsible for matters pertaining to open records, open meetings, elections, updating the City's Code of Ordinances, records custody and provide administrative support to the Mayor and City Council. The City Secretary is a statutory position appointed by the City Council.



Jonathan Thatcher - City Attorney

The City Attorney provides legal advice to the City Council, City Boards and Commissions, the City Manager, and other City officials and staff. Prepares or approves all proposed ordinances, as well as reviews contracts and other documents in which the City is a party or has an interest. Represents the City, or monitors the City's representation, in all civil litigation and proceedings with state and federal agencies and serves as the prosecutor for the State of Texas for matters in Fate's Municipal Court.



Lyle Lombard, Director of Public Safety

Responsible for the overall operations and management of the Fate Department of Public Safety, a triple-certified agency (Fire, Police, EMS), providing for a safe community and enhancing the quality of life in Fate.



Raju Anthony, CPA - Director of Finance

Responsible for Accounting, Budget, Financial Reporting, Treasury, Debt Management, Audit, Financial Transparency, Utility Billing and Municipal Court.



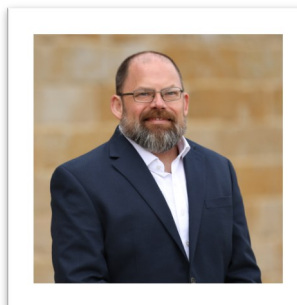
Scott Monaghan - Director of Public Works

Responsible for municipal water, wastewater collections, streets, signs, light and traffic control, MS4, trash collection, construction and inspection.



Steve Gilbert - Director of Community Services and Building Safety

Responsible for all city facilities, parks and recreation, community events as well as all phases of construction activity, building safety and code compliance within the city of Fate.



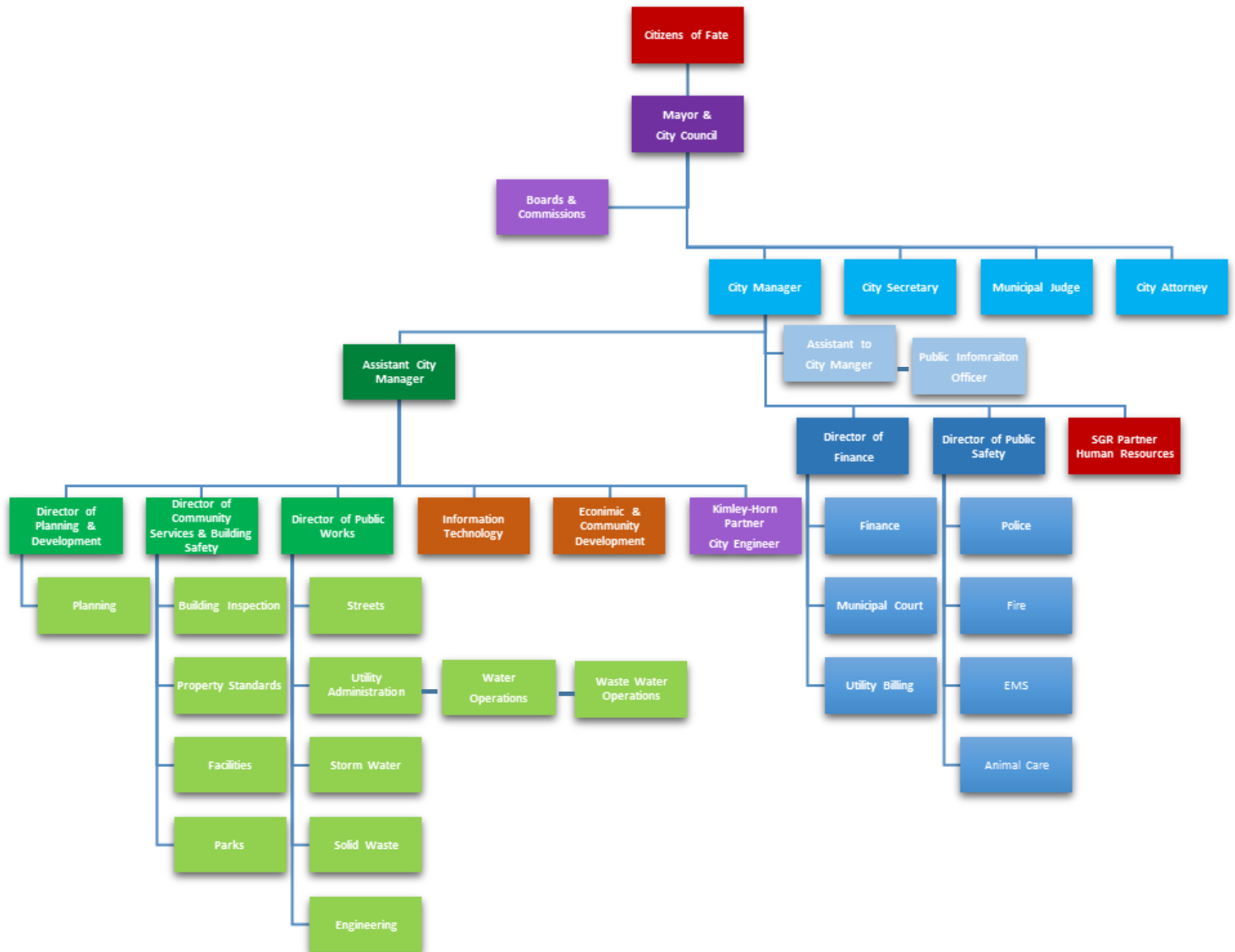
Ryan Wells, AICP, CFM - Director of Planning and Development Services

Oversees all development and zoning-related applications. Responsible for the City's GIS system and implementation of the Comprehensive Plan.

Strategic Partners

Function	Firm
City Engineer	Kimley-Horn & Associates, Inc.
Financial Advisor	Hilltop Securities Inc.
Bond Counsel	McCall, Parkhurst & Horton L.L.P.
PID Administrator	P3Works, LLC
Water & Wastewater Rate Study	NewGen Strategies & Solutions, LLC
Independent Auditor	FORVIS (Formerly BKD CPA's & Advisors)
Arbitrage Consultant	BLX Group, LLC
Sales Tax Consultant	Eight 20 Consulting, LLC (ZacTax)

ORGANIZATIONAL CHART



THE BUDGET PROCESS

The budget serves as a financial plan, a policy document and a communication device. It is one of the most important documents produced by the City and as such it requires an extensive period of time to complete. The Budget Process is a strategic process the City of Fate uses to effectively forecast the levels of service needed in our growing community. It is a yearly activity as set forth in the City Charter, Article VI, Section 6.02.

The budget process, like the tax rate process, is guided by both state and local laws. It began with the creation of the budget calendar in March. This calendar is established each budget year to ensure the City remains on schedule and important deadlines are met. Once mid-year financial data is available, department heads begin to work on their budgets. The City uses a web-based budget platform that offers additional resources to the budget process. With this application the City is able to share dynamic and detailed draft budgets with the City Council and it also provides interactive access on the City's website for citizens.

In early spring, the City conducts a citizen survey to help establish budget priorities. The survey results are also used in the development of performance measures for each department.

In early May the City Manager and budget team meet with department heads to review their final budget submissions. From May to July, the City Manager and budget team continue reviewing department requests and determine needs based on the Council's goals and estimated revenues. City Staff and Council Members attend several Budget Workshops and Townhall meetings to discuss policy, financial sustainability and top budget items.

The Rockwall County Appraisal District releases certified property values on or before the 25th of July. Until this point, the budget team has worked with an estimated tax rate based on April's preliminary tax values provided by RCAD and staff estimates of new value. The City Manager's Office and Finance collaborate to adjust proposed expenses to provide the highest level of service and ensure that the needs of the community are met, while keeping the cost to the citizens as low as possible.

The proposed budget is due to the City Council no later than August 15th. However, due to automatic election provisions in 2019's Senate Bill 2, the budget is now delivered to the City Secretary at least thirty days prior to budget adoption. In the event that the tax rate will be increased, it is necessary to hold a public hearing, which is scheduled along with the budget public hearing. Announcements are posted in the City's official newspaper according to Texas Truth-in-Taxation requirements. (<http://www.window.state.tx.us/taxinfo/proptax/tnt/>).

After all requirements have been fulfilled, the tax rate and the budget for the upcoming year are adopted by ordinance. The budget takes effect October 1st and the Rockwall County Chief Appraiser is notified of the adopted tax rate. The adopted budget is published on the City's website.

Section 6.02 Submission of Budget and Budget Hearing

On or before the fifteenth (15th) day of August of the fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year and an accompanying budget message. The City Manager shall prepare a summary of the City budget setting forth the essential financial terms contained in the City budget.

The Budget Adjustment Process

The level of control (the level at which expenditures may not exceed the budget) is the fund level. The City Manager is authorized to approve a transfer of budgeted amounts within funds, however, any transfer of funds between funds and revisions that change the total of any fund must be approved by the City Council.

The Budget Amendment Process

In some instances, larger issues will occur that require budget amendments. These items are discussed among the City Manager, the Director of Finance and the Department Directors involved. An appropriate funding source is identified and the amendment is taken before the City Council.

Section 6.07 Amending the Budget

Under the conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the City Council may, by a majority vote, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be made by ordinance and shall become an attachment to the original budget.

Date	Responsibility	Activity
July 17, 2023	Council Meeting	<ul style="list-style-type: none"> • Presentation of Proposed FY 2024 Budgets to City Council (City, MDD and Capital Improvements). • Proposal to adopt the maximum tax rate the City Council will consider. • Place a proposal on the August 21, 2023 agenda to adopt the FY 2024 budget and proposed tax rate. • Designate the officer to calculate the No-New-Revenue and Voter-Approval tax rates. • Call a public hearing on the proposed property tax rate to be held on August 21, 2023. • Call a public hearing on the proposed FY 2024 budget to be held on August 14, 2023. • Direct the City Secretary to publish a NOTICE of 2023 TAX YEAR PROPOSED PROPERTY TAX RATE FOR THE CITY OF FATE, TEXAS. • Direct the City Secretary to publish a NOTICE of PUBLIC HEARING on PROPOSED BUDGET.
July 20, 2023	RCAD	Last day for Appraisal Review Board to approve appraisal records.
July 25, 2023	RCAD	Deadline for Chief Appraiser to certify rolls to taxing units.
July 27, 2023	City Secretary	<ul style="list-style-type: none"> • Publish NOTICE OF PROPOSED PROPERTY TAX RATE (at least 5 days prior to public hearing) - required information on the notice depends on the proposed tax rate. • Publish NOTICE OF PUBLIC HEARING ON PROPOSED BUDGET (at least 10 days prior to public hearing and no earlier than 30 days from adoption). <p>(Note: City's official newspaper, the Royse City Herald Banner, only publishes on Thursdays; cutoff for submittal is noon on preceding Friday).</p>
August 7, 2023	RCAD	Deadline for designated officer to provide tax rate calculations.
August 10, 2023	City Secretary	Post 72-hour notice for budget public hearing to be held August 14, 2023.
August 14, 2023	Council Meeting Finance	<p>Special meeting:</p> <ul style="list-style-type: none"> • Public Hearing on FY 2024 proposed budget (budget hearing shall be before the date of the tax levy). • Announce that budget will be adopted on August 21, 2023. • Post notice on the City's website of the no-new-revenue tax rate and voter-approval tax rate worksheet, the estimated amount of unencumbered interest and sinking and general fund balances and a schedule of City's debt obligations. Per Tax Code 26.04(e).
August 17, 2023	City Secretary	<ul style="list-style-type: none"> • Post 72-hour notice for property tax public hearing to be held August 21, 2023. • Post 72-hour notice of adoption of the FY 2024 budget and tax rates to be held on August 21, 2023.
August 21, 2023	Council Meeting	<ul style="list-style-type: none"> • Public hearing on tax rate. Announce tax rate will be adopted on August 21, 2023. • Adoption of the FY 2024 budget (City, MDD, and Capital Improvements) • Ratify the property tax revenue increase • Adoption of tax rate <p>If the adopted tax rate exceeds the greater of the voter-approval rate or the de minimis rate, City Council must order an automatic election (no later than 78 days before the November uniform election date).</p>
August 22, 2023	Finance	<ul style="list-style-type: none"> • Update first page of proposed budget and change to adopted budget • File adopted budget with City Secretary in electronic format • Post Notice of Final Rate on the City's website per Tax Code 26.05(b)(2). • Post adopted budget on the City's website. • Send tax rate adoption ordinance to RCAD for collecting the tax.



Budget Calendar FY 2023-2024

Date	Responsibility	Activity
February, 27, 2023	Council Meeting	Special meeting: Strategic Planning Workshop - Session 1
March 9, 2023	Budget/CIP Teams	2 - 3 pm Capital Budget & 5-YR CIP planning meeting
March 15, 2023	Finance Departments	<ul style="list-style-type: none"> Distribute personnel and equipment request forms to department heads. First day to enter budgets in OpenGov.
March 27, 2023	Council Meeting	Special meeting: Strategic Planning Workshop - Session 2
April 13, 2023	Departments	<ul style="list-style-type: none"> Personnel request forms due to HR. Capital budget requests due to Finance.
April 20, 2023	Departments HR	<ul style="list-style-type: none"> Last day to enter budgets into OpenGov. HR forwards completed personnel requests to Finance.
April 30, 2023	RCAD	Last day for Chief Appraiser to certify estimate of taxable values to counties, municipalities and school districts.
May 3, 2023	Department Heads and Budget Team (Budget Review Meetings)	<ul style="list-style-type: none"> 1 - 2 pm with Director of Finance: Utility Billing, Municipal Court and Finance Departments. General, Utility, and Solid Waste Funds revenue, Debt Service Funds. 2 - 2:30 pm with Human Resources Director: HR Department 2:30 – 3:30 pm with DPS Director: Public Safety and Animal Care Departments. Federal and State Seizure, Public Safety, and Fire Donation Funds 3:30 - 5 pm with City Manager and Assistant City Manager: General & Admin, City Manager, Economic Development, and IT Departments. MDD Fund.
May 4, 2023	Department Heads and Budget Team (Budget Review Meetings)	<ul style="list-style-type: none"> 1 - 2 pm with Director of Public Works: Streets, Water & Sewer Ops, and Utility Administration Departments. Storm Drainage, Solid Waste, Impact Fees and Capital Projects Funds. 2 - 2:30 pm with City Secretary: City Secretary, Mayor & Council Departments 2:30 – 3 pm with City Attorney: City Attorney's Department. 3 - 4 pm with Director of Planning and Development: Planning and Development Department. Revenue estimates for Impact Fees, Woodcreek Signals, Water Storage Tank, Parker Creek Interceptor and Park Development Funds 3:30 - 5 pm with Director of Building Safety and Community Services: Code Enforcement, Building Safety, Parks and Facilities Departments. Park Funds
May 9, 2023	MDD	<ul style="list-style-type: none"> Approve FY 2024 MDD Budget
May 10, 2023	Budget/CIP Teams Budget Team	<ul style="list-style-type: none"> 2:30 - 4 pm Capital Budget requests review and 5-Yr CIP plan meeting 4 - 5 Budget Recap/Reductions/Overall Plan
May 22, 2023	Council Meeting	Special meeting: Budget Workshop - #1
May 31, 2023	Departments	Department narratives, FY23 achievements, FY24 initiatives and performance measures due to Finance.
June 14, 2023	RCAD	Last day for Chief Appraiser to provide proposed RCAD budget.
June 26, 2023	Council Meeting CIP Team	<ul style="list-style-type: none"> Special meeting: Budget Workshop - #2 Final draft of Capital Improvements Plan to City Manager
July 13, 2023	City Secretary	Post 72-hour notice for Council meeting to be held on July 17, 2023.
July 14, 2023	Finance	<ul style="list-style-type: none"> File proposed budget with City Secretary (at least 31 days before tax rate adoption). Post FY 2024 proposed budget and capital improvements program on the City's website until public hearing on August 14, 2023 is concluded.

CITY COUNCIL STRATEGIC PRIORITIES

The City Council held two strategy workshops on Monday, February 27, 2023 and Monday, March 27, 2023. The purpose of the Council workshops was to review and renew the Council's Strategic Plan. The workshops were attended by the Mayor and Council Members as well as the City Manager, the Assistant City Manager, and Department Heads. Strategic Government Resources (SGR) facilitated the workshops. Performance measures have been developed using these strategic priorities in conjunction with the results of the City's annual citizen survey. Portions of the final SGR report follow.



Fate, TX Council Strategic Planning Workshop Report

The City Council of Fate, Texas, held two Strategic Planning Workshop in two sessions, February 27 and March 27, to establish the Council's strategic priorities for the future. The Workshops were attended by the Mayor, Council Members, the City Manager, and executive staff and facilitated by Hilary Shine of SGR.

The Council agreed to the following list of Strategic Priorities:

Public Safety

Fiscal Resiliency & Accountability

Sense of Community

Sustainable Infrastructure & Services

Establishment of Priority Goals

With Council's agreement on the Strategic Priorities, the facilitator led the Council through the process for developing goals related to the Strategic Priorities. After establishing the difference between goals and tasks, Council worked as a group to create goals for each Strategic Priority. Council agreed through consensus to the following goals:

Public Safety

- Recruit and Retain Personnel
- Provide Effective Emergency Response
- Establish Fate Emergency Management Program
- Employ Traffic Calming Strategies

Fiscal Resiliency & Accountability

- Assure Appropriate Tax Rate
- Effective Revenue Management
- Ensure Fiscally Productive Development
- Responsible Debt/Expense Management

Sense of Community

- Promote Community Awareness through Branding and Marketing
- Utilize the Community Survey
- Build Community Connections and Engagement
- Increase City Messaging Efforts

Sustainable Infrastructure & Services

- Adequately Maintain Parks
- Proactively Maintain and Improve Existing and New Infrastructure [Water, Sewer, Stormwater, Roads]
- Enhance Cybersecurity
- Deliver Excellent Customer Service
- Stabilize the Workforce

Expectations for Staff for Follow-up

Council was advised that staff would take the following actions:

- Bring Strategic Priorities and Goals to Council for official consideration and adoption.
- Use Strategic Priorities and Goals to plan work and draft the FY 2024 Budget.

ANNUAL CITIZEN SURVEY

Every spring, and as part of the budget process, the City conducts a citizen survey. The National Community Survey (NCS) captures resident's perceptions on different facets of "livability" of Fate and translates them into data the City can use to inform budget decisions. In the table below, FY20-FY23 represent actual survey results and FY24 Target is the desired survey outcome for Fiscal Year 2024. For more information and the complete survey report please visit <https://www.fatetx.gov/365/National-Community-Survey>.

STRATEGIC PRIORITY	Dept.(s)	Measure Description	FY 20	FY 21	FY 22	FY 23 Target	FY 23 Actual YTD	Fate to NCS Benchmark	FY 24 Target
Public Safety	DPS	Overall feeling of safety in Fate?	92%	93%	94%	95%	87%	Similar	90%
Public Safety	DPS	How safe or unsafe you feel from violent crime?	-	97%	98%	99%	92%	Similar	94%
Public Safety	DPS	Rate the quality of crime prevention services in Fate.	85%	88%	84%	88%	77%	Similar	80%
Fiscal Resiliency & Accountability	Economic Development	Rate the overall quality of economic health in Fate.	49%	65%	74%	75%	71%	Similar	72%
Fiscal Resiliency & Accountability	Economic Development	Overall quality of business and service establishments in Fate.	25%	52%	65%	66%	62%	Similar	63%
Fiscal Resiliency & Accountability	Economic Development	Rate the quality of Economic Development services in Fate.	36%	49%	64%	65%	56%	Similar	60%
Sense of Community	City Council & City Manager	Rate the City of Fate's government's performance regarding treating all residents fairly.	64%	72%	78%	79%	65%	Similar	71%
Sense of Community	City Council & City Manager	Rate the quality of Public Information services in Fate.	38%	63%	64%	65%	56%	Similar	60%
Sense of Community	All Dept.s	Rate the quality of overall customer service by Fate employees.	73%	81%	85%	86%	81%	Similar	83%
Fiscal Resiliency & Accountability	Finance	General Fund Bond rating by S&P.	AA	AA	AA	AA	AA	n.a.	AA
Fiscal Resiliency & Accountability	City Manager, Economic Devel., Finance	Total revenues per capita (all funds) using UB pop. estimates.	\$2,185	\$1,660	\$2,402	\$1,647	*\$927	n.a.	\$1,778
Fiscal Resiliency & Accountability	City Manager, Economic Devel., Finance	Sales tax as a percentage of total General Fund revenues.	12.6%	15.5%	20.0%	15.5%	18.0%	n.a.	21.0%
Fiscal Resiliency & Accountability	City Manager	General Fund cost to serve on a per unit basis.	\$1,346	\$1,638	\$1,489	\$1,423	*\$814	n.a.	\$1,508
Sustainable Infrastructure & Services	City Manager, Parks, Facilities	Rate the availability of paths and walking trails.	40%	55%	58%	59%	48%	Lower	53%
Sustainable Infrastructure & Services	City Manager, Parks, Facilities	Rate the quality of City parks in Fate.	72%	64%	79%	80%	70%	Similar	74%
Sustainable Infrastructure & Services	City Manager, Parks, Facilities, Public Works	Rate the cleanliness of Fate.	79%	83%	84%	85%	80%	Similar	82%

STRATEGIC PRIORITY	Dept.(s)	Measure Description	FY 20	FY 21	FY 22	FY 23 Target	FY 23 Actual YTD	Fate to NCS Benchmark	FY 24 Target
Sustainable Infrastructure & Services	All Dept.s	Rate the quality of services provided by the City of Fate.	73%	77%	79%	80%	67%	Similar	73%
Sustainable Infrastructure & Services	All Dept.s	Rate the value of services for the taxes paid to Fate.	36%	53%	49%	54%	38%	Similar	43%
Sustainable Infrastructure & Services	All Dept.s	Please indicate how likely you are to recommend living in Fate to someone who asks.	88%	90%	92%	93%	86%	Similar	89%
Sustainable Infrastructure & Services	Utilities/ Stormwater	Overall quality of utility infrastructure (water, sewer, storm water, electric, gas)	-	64%	68%	69%	60%	Similar	64%
Sustainable Infrastructure & Services	Streets/City Manager	Overall quality of the transportation system	-	28%	28%	29%	25%	Lower	26%
Sustainable Infrastructure & Services	Planning	Overall design or layout of Fate's residential and commercial areas (e.g. homes, buildings, streets, parks, etc.)	42%	48%	60%	61%	47%	Lower	53%
Sustainable Infrastructure & Services	Parks/City Manager	Ease of travel by bicycle	28%	31%	37%	38%	21%	Much lower	29%
Sustainable Infrastructure & Services	Parks/City Manager	Ease of Walk	42%	44%	51%	52%	43%	Lower	47%
Sustainable Infrastructure & Services	Streets	Street Repair	37%	50%	57%	58%	45%	Similar	51%
Sustainable Infrastructure & Services	Property Standards/ Streets	sidewalk maintenance	43%	59%	63%	64%	52%	Similar	57%
Sustainable Infrastructure & Services	Utilities	Drinking water	62%	78%	75%	78%	68%	Similar	71%
Sustainable Infrastructure & Services	Utilities	Sewer services	72%	80%	82%	83%	76%	Similar	79%
Sustainable Infrastructure & Services	Stormwater	Storm water management	66%	78%	78%	79%	73%	Similar	75%

*These are year to date calculations based on 6 months ending 3/31/23.

*It is also important to note that property tax collections have already been entered into these calculations.

FY23 SIGNIFICANT ACHIEVEMENTS

- * Received “Community of the Year” award from the Texas Chapter of the American Planning Association.
- * Partnered with the YMCA to create the first ever Youth Sports Programming for the community.
- * Implemented new communications tools such as SeeClickFix, Frase Answer Engine, and Zencity to allow for improved community engagement and reporting.
- * Received an award from ICMA for Strategic Leadership and Governance for the City’s New Development Fiscal Analysis.
- * Actively advocated for the City of Fate’s legislative agenda at the Texas State Legislature in Austin and supported statewide efforts by cities to defend municipal powers.
- * Adopted Unified Development Ordinance updates, establishing productive revisions to zoning districts, development and subdivision standards, connectivity standards, downtown sign code, and parking schedule, among others.
- * Prepared and adopted a complete streets policy.
- * Completed the Parks & Trails Master Plan
- * As a leader in Community Safety, the Fate Department of Public Safety created a Fire Captain position, added three patrol personnel, improved fleet with updated vehicles and equipment.
- * Continued Economic Development efforts by recruiting new businesses such as Jersey Mike’s, McDonald’s, Starbucks, Beer Geeks, maintaining the “Food Haul” food truck court in downtown to grow small businesses, continuing economic development agreements for the construction of two downtown mixed-use buildings, “The Park” and “Fate Place”.
- * Continued efforts on financial “Strength” by using responsible financial policies, receiving an unmodified audit opinion for the FY 2022 Annual Comprehensive Financial Report, maintaining a “AA” bond rating, and evaluating new development proposals for fiscal sustainability.
- * Received Comptrollers’ Transparency Award for FY 2022 Traditional Finance.
- * Updated Public Safety compensation market data and incorporated into current pay plan to remain competitive in a difficult labor market.
- * Received the Municipal Clerk’s Office Achievement of Excellence Award from the Texas Municipal Clerk’s Association in recognition of effective and efficient management of resources in the City Secretary’s Office.
- * Complete construction Phase I Fate Station and Joe Burger Parks and created soccer game fields at Robert Smith Family Park.
- * Completed Storm water drainage work on Hailey/Jeremy, North Smith Rd and currently working on the Melody Ranch drainage improvement project.
- * Implemented the TCEQ Revised Total Coliform rule, including nitrification testing and plan. UCMR 5 Testing. Sampling begins in September of 2023.
- * Completed SCADA system upgrades for all lift stations, work is in progress.
- * Worked on design, development, bidding, and Project management for PS # 3.
- * Accepted Blackland and Mt. Zion Utilities.

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BUDGET SUMMARIES



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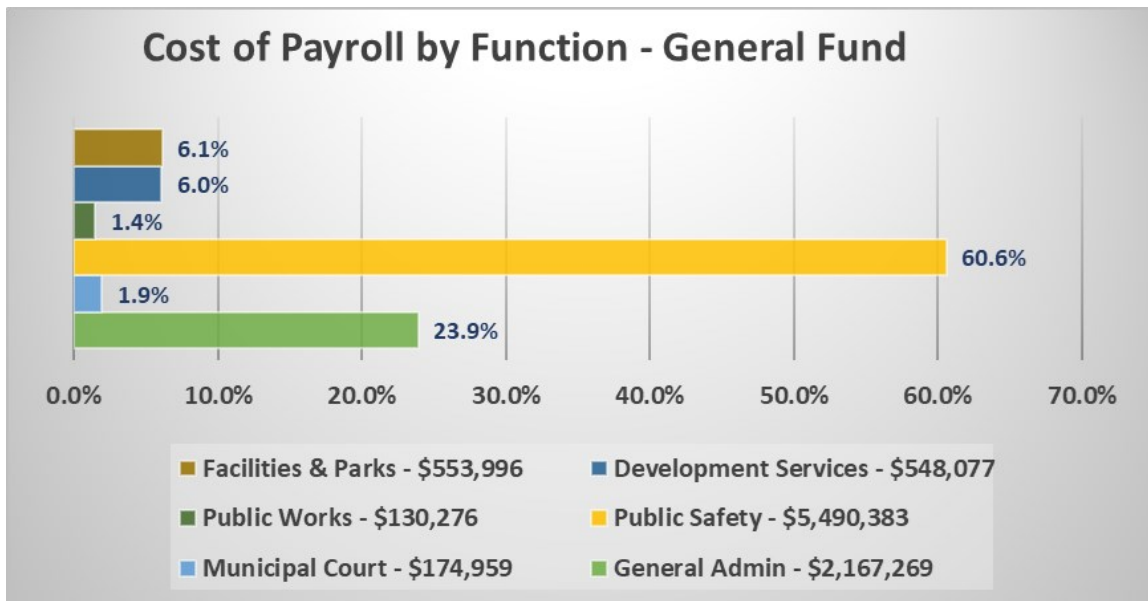
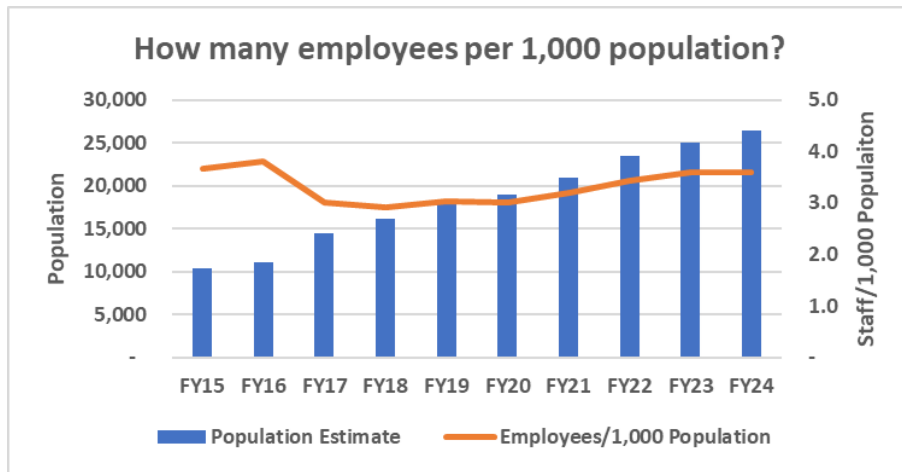
PAYROLL SUMMARY

This budget proposes the addition of two full-time (possibly four with grant funds) Public Safety Officer positions to address growing patrol, fire/emergency medical response, and school safety needs. No new civilian or non-sworn positions are proposed for the next fiscal year.

In addition to COLA and Merit adjustments of 8% proposed for City-wide staff, Public Safety Officers will receive certification pay and on average an additional 7% salary and wage adjustment that will lift their compensation to the 90% of market position in their pay plan. Certification pay will also be offered to staff in the Water and Waste Water departments. These pay enhancements aim to provide the City a competitive edge in a highly competitive job market.

In addition to pay increases, the City raised the contribution to dependent premiums from 30% to 34% in order to help mitigate a 9% increase in health insurance premiums.

<i>Department by Fund</i>	<i>Full-Time Equivalent Schedule</i>			
	<i>FY 2021-22</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>Change</i>
10 City Manager	3.0	4.0	4.0	-
11 General Administration	0.0	0.0	0.0	-
13 Mayor & City Council	0.0	0.0	0.0	-
12 Planning & Development	3.0	3.0	3.0	-
14 Economic Development	1.0	2.0	2.0	-
15 Finance	4.0	4.0	4.0	-
16 Information Technology	2.0	2.0	2.0	-
18 Human Resources	0.0	1.4	1.4	-
20 City Secretary	2.0	2.0	2.0	-
25 City Attorney	1.0	1.0	1.0	-
30 Municipal Court	2.0	2.0	2.0	-
35 Department of Public Safety-Fire	4.0	5.0	5.0	-
40 Department of Public Safety-Police	25.0	30.0	32.0	2.0
42 Animal Care Services	0.0	0.0	0.0	-
45 Property Standards	1.0	1.0	1.0	-
50 Building Safety	6.0	8.0	8.0	-
55 Parks	0.0	0.0	0.0	-
60 Streets	2.0	2.0	2.0	-
65 Facilities	7.0	8.0	8.0	-
Total General Fund	63.0	75.4	77.4	2.0
70 Water Operations	5.0	4.0	4.0	-
75 Waste Water Operations	4.0	4.0	4.0	-
85 Utility Administration	3.0	5.0	5.0	-
90 Utility Billing	3.0	3.0	3.0	-
Total Utility Fund	15.0	16.0	16.0	0.0
62 Storm Water Operations	1.0	1.0	1.0	-
Total Storm Water Fund	1.0	1.0	1.0	0.0
Total Budgeted Positions	79.0	92.4	94.4	2.0



BUDGETARY FUND STRUCTURE

GOVERNMENTAL FUNDS		
General Fund	100	General Fund
Capital Projects Funds	201	Road Maintenance Fund
	202	Capital Projects Fund
	203	Woodcreek Signals
	206	Govt. Capital Replacement
	207	2021 GO (Road) Project Fund
	711	Park Development Fund-District A
	712	Park Development Fund-District B
	713	Park Development Fund-District C
	714	Park Development Fund-Community
	715	2021 GO (Park) Project Fund
Debt Service Funds	351	Debt Service-General
	352	MDD Debt Service Fund
	353	MDD Debt Reserve Fund
Component Unit Funds	401	Fate Municipal Develop District
	403	Fate Public Facility Corporation Fund
Other Governmental Funds	511	Public Improvement District No.1
	512	Public Improvement District No.2
	514	Edgewater PID Maintenance Fund
	515	Monterra Residential Maintenance Tax Fund
	516	Montarra Industrial Maintenance Tax Fund
	610	Court Child Safety Fund
	612	Court Security Fund
	613	Court Technology Fund
	614	Seizure Fund-Federal
	615	Seizure Fund-State
	616	Roadway Impact Fee Fund
	617	Public Safety Fund
	618	Fire Donation Fund
	710	Parks Fund

PROPRIETARY FUNDS		
Water and Sewer Fund	810	Water and Sewer Fund
Other Proprietary Funds	825	Water Impact Fund
	826	Wastewater Impact Fund
Capital Projects Funds	850	Water Capital Replacement
	851	Sewer Capital Replacement
	853	Capital Project-Water & Sewer
	854	Capital Project-Water Storage Tank
	855	Parker Creek Interceptor
	856	2022 CO (PS3) Project Fund
Debt Service Funds	875	Water & Sewer Debt Service Fund
	876	Water & Sewer Debt Reserve Fund
Storm Water Fund	880	Storm Water Fund
Solid Waste Fund	890	Solid Waste Fund

Department		Fund 100	Fund 810	Fund 880
10	City Manager	✓		
11	General Administration	✓		
12	Planning & Develop.	✓		
13	Mayor & City Council	✓		
14	Economic Development	✓		
15	Finance	✓		
16	Information Technology	✓		
18	Human Resources	✓		
20	City Secretary	✓		
25	City Attorney	✓		
30	Municipal Court	✓		
35	Public Safety - Fire	✓		
40	Public Safety - Police	✓		
42	Animal Control	✓		
45	Property Standards	✓		
50	Building Safety	✓		
55	Parks	✓		
60	Streets	✓		
62	Storm Water			✓
65	Facilities	✓		
70	Water		✓	
75	Waste Water		✓	
80	Solid Waste		✓	
85	Utility Administration		✓	
90	Utility Billing		✓	

REVENUE AND EXPENSE SUMMARY

GOVERNMENTAL FUND TYPE

	General Fund	Capital Projects Funds	Debt Service Fund	Component Units	Other Funds	Total Governmental Funds
Estimated Beginning Fund Balance	5,808,101	6,316,466	192,917	761,351	10,052,955	23,131,790
Revenue						
Property Tax	5,769,608	-	1,824,786	-	1,300	7,595,694
Sales Tax	2,836,000	-	-	861,000	-	3,697,000
General Fees	293,112	-	-	-	-	293,112
Franchise Fees	655,504	-	-	-	-	655,504
Licenses & Permits	2,336,742	-	-	-	-	2,336,742
Fines & Forfeitures	194,290	-	-	-	10,600	204,890
Charges for Services	385,095	242,160	-	57,278	-	684,533
Impact Fees	-	203,093	-	-	1,861,371	2,064,464
Donations	-	-	-	-	80,200	80,200
Intergovernmental	296,661	-	-	-	-	296,661
Investment Income	259,800	125,100	14,000	2,950	103,915	505,765
Miscellaneous	53,000	-	-	-	11,700	64,700
Total Revenue	13,079,812	570,353	1,838,786	921,228	2,069,086	18,479,265
Expenditures						
Salaries & Benefits	9,103,640	-	-	-	3,617	9,107,257
Supplies	597,877	300,000	-	-	119,966	1,017,843
Maintenance & Repairs	236,750	1,072,000	-	-	-	1,308,750
Contractual	3,438,430	-	-	142,040	129,000	3,709,470
Other Charges	271,765	-	1,000	400	10,228,248	10,501,413
Debt Service	-	-	1,789,803	148,975	-	1,938,778
Capital	84,000	4,447,600	-	400,000	1,500,000	6,431,600
Total Expenditures	13,732,462	5,819,600	1,790,803	691,415	11,980,831	34,015,111
Transfers						
Transfers in	1,880,066	1,572,000	-	150,000	15,000	3,617,066
Transfers Out	(1,227,416)	-	-	(650,000)	-	(1,877,416)
Total Transfers	652,650	1,572,000	-	(500,000)	15,000	1,739,650
Net Change in Working Capital	-	(3,677,247)	47,983	(270,187)	(9,896,745)	(13,796,196)
Estimated Ending Fund Balance	5,808,101	2,639,219	240,900	491,164	156,210	9,335,594

PROPRIETARY FUND TYPE

	Water and Sewer Fund	Capital Projects Funds	Debt Service Funds	Storm Water Fund	Solid Waste Fund	Other Funds	Total Proprietary Funds
Estimated Beginning Fund Balance	5,549,849	23,817,706	440,967	165,469	37,501	8,423,759	38,435,251
Revenue							
Property Tax	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-
Charges for Services	13,683,494	-	-	-	2,134,135	-	15,817,629
Impact Fees	-	1,018,649	-	-	-	3,960,489	4,979,138
Donations	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Investment Income	100,000	198,500	6,500	500	1,500	52,000	359,000
Miscellaneous	55,500	-	-	-	500	-	56,000
Total Revenue	13,838,994	1,217,149	6,500	500	2,136,135	4,012,489	21,211,767
Expenditures							
Salaries & Benefits	1,410,299	-	-	85,198	-	-	1,495,497
Supplies	351,404	-	-	25,385	500	-	377,289
Maintenance & Repairs	153,000	-	-	26,200	-	-	179,200
Contractual	5,132,888	-	-	157,985	2,093,329	80,000	7,464,202
Other Charges	4,624,073	-	2,000	-	4,200	6,915,264	11,545,537
Debt Service	-	-	1,194,775	-	-	-	1,194,775
Capital	-	14,805,075	-	-	-	32,500	14,837,575
Total Expenditures	11,671,664	14,805,075	1,196,775	294,768	2,098,029	7,027,764	37,094,075
Transfers							
Transfers in	2,277,022	1,989,286	1,228,925	132,108	-	-	5,627,341
Transfers Out	(4,444,352)	(425,972)	-	-	-	(2,496,667)	(7,366,991)
Total Transfers	(2,167,330)	1,563,314	1,228,925	132,108	-	-	(1,739,650)
Net Change in Working Capital	-	(12,024,612)	38,650	(162,160)	38,106	(5,511,942)	(17,621,958)
Estimated Ending Fund Balance	5,549,849	11,793,094	479,617	3,309	75,607	2,911,817	20,813,293

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GOVERNMENTAL FUNDS

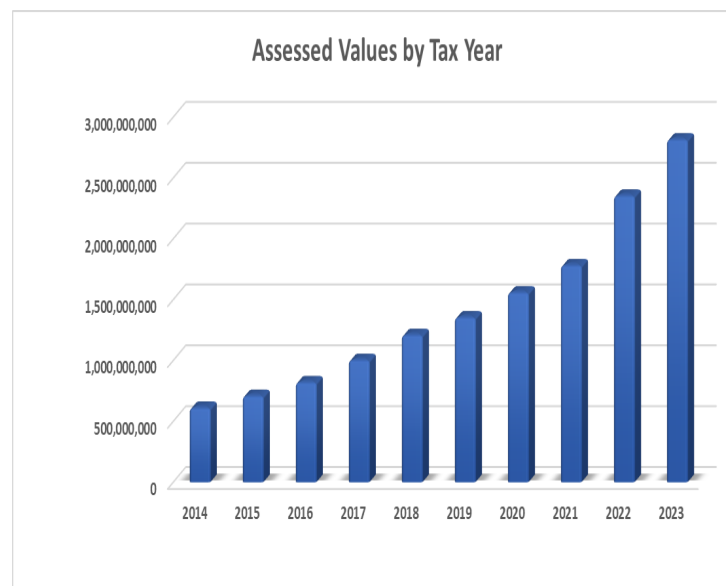


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PROPERTY TAX: VALUATION & RATES

Ad Valorem taxes provide the largest source of revenue to the City's General Fund. It is estimated that in Fiscal Year 2023-2024 38.6% of the General Fund's revenues will come from property tax revenue which is an increase of 1.4% from the previous year . The calculation of the final tax rate is heavily dependent on the final certified values and it is made by the RCAD, as designated by City Council resolution.

Tax Year	Fiscal Year	Assessed Valuations	Tax rate	M&O	Debt Service (I&S)	Taxes Assessed
2014	2015	612,125,792	0.306700	0.230000	0.076700	1,877,390
2015	2016	710,174,687	0.306700	0.230443	0.076257	2,178,106
2016	2017	822,118,808	0.291100	0.227165	0.063935	2,393,188
2017	2018	1,005,011,531	0.291100	0.216870	0.074230	2,925,589
2018	2019	1,208,199,417	0.291100	0.233004	0.058096	3,517,069
2019	2020	1,355,140,857	0.280656	0.238050	0.042606	3,803,284
2020	2021	1,560,195,483	0.273339	0.230013	0.043326	4,264,623
2021	2022	1,783,498,205	0.339872	0.238927	0.100945	6,061,611
2022	2023	2,308,794,064	0.293832	0.217065	0.076767	6,783,975
2023	2024	2,890,521,347	0.264210	0.202334	0.061876	7,637,046



Property tax is levied on October 1 each year on values assessed by the RCAD as of January 1. As a conservative budget practice the City estimates a 98% collection rate.

Fate has experienced rapid growth from nearly 500 residents in the year 2000 to an estimated population of 25,000 in 2023. As real estate prices in the Metroplex continue to move upward, the value of existing properties in Fate also continues to increase adding \$413,156,272 of taxable value to the tax base. The addition of new commercial properties and newly built single and multi-family dwellings added an estimated \$168,571,011 of value to the tax roll in Tax Year 2023.



The Property Tax Adoption Process

In 2019, the Texas State Legislature adopted the Texas Property Tax Reform and Transparency Act, also known as Senate Bill 2. This bill made significant changes to the system of setting property tax rates by:

- Lowering the tax rate a city can adopt without voter approval. This tax rate can be modified for cities with populations less than 30,000.
- Requiring a mandatory election to set a tax rate higher than this lower tax rate.
- Making terminology changes and procedural changes to the property tax adoption process.

The no-new-revenue tax rate (previously effective tax rate) is the tax rate needed to raise the same amount of property tax revenue on existing property as the previous year after taking into account changes in appraised value. The no-new-revenue tax rate for Fiscal Year 2023-2024 (Tax Year 2023) is 0.249358/\$100 of value.

A voter-approval tax rate (previously rollback rate) is set in order to allow citizens to limit the governing body's ability to significantly increase the maintenance and operations tax rate. S.B. 2 lowered the amount that maintenance and operations taxes can be increased from 8% to 3.5%. Fiscal Year 2023-2024's voter-approval tax rate is 0.253389/\$100 of value.

For municipalities with less than 30,000 in population, S.B. 2 provides the ability to calculate a rate that generates \$500,000 over the maintenance and operations (M&O) no-new-revenue tax rate. This rate is called the de minimis tax rate. The Fiscal Year 2023-2024 de minimis tax rate is 0.264210/\$100 of value. The City's proposed tax rate of 0.264210/\$100 is higher than the voter-approval rate but equal to the de minimis tax rate.

If a city proposes a tax rate that exceeds the lower of the no-new-revenue tax rate or the voter-approval tax rate, a public hearing must be held to make the public aware of the tax increase. S.B. 2 requires a city with population of less than 30,000 to hold a mandatory election on the November uniform election date if a city adopts a tax rate that exceeds the higher of the voter-approval tax rate or de minimis rate. If the city's adopted tax rate is equal to or lower than the de minimis rate but higher than the voter-approval rate, the citizens may petition for an election.

The FY 2023-2024 property tax public hearing and City Council votes to ratify and adopt the tax rate are scheduled for August 21, 2023.

Maintenance & Operations (M&O)

The M&O portion of the tax rate provides funding for all general fund operations. This portion of the tax rate is flexible and can be adjusted based on the needs of the City. For Fiscal Year 2023-2024 the City proposes to use a tax rate of 0.202334/\$100 of value. This is a 0.014732/\$100 decrease from the Fiscal Year 2022-2023 rate.

Interest & Sinking (I&S)

The Debt Service portion of the tax rate covers the City's bonded indebtedness principal and interest. The I&S tax rate provides the City with exact funding to make the required debt payments for each fiscal year. Located in the Debt Service Funds section of the budget document is a Debt Service Schedule that provides specific information about what payments are required on which bond loans.

In order to meet debt service needs, Fiscal Year 2023-2024's estimated Debt Service tax rate is 0.061876/\$100. This is a .014890/\$100 decrease from Fiscal Year 2022-2023.

ESTIMATED AD VALOREM TAX REVENUE					
	FY 2022	FY 2023	FY 2024	FY23 to FY24	FY23 to FY24
	TY 2021	TY 2022	TY 2023	\$ Change	% Change
Estimated Tax Roll	\$ 1,783,498,205	\$ 2,308,794,064	\$ 2,890,521,347	\$ 581,727,283	25.20%
Proposed Tax Rate per \$100 Valuation	0.339872	0.293832	0.264210	-0.02962	-10.08%
Revenue from Taxes	\$ 6,061,611	\$ 6,783,975	\$ 7,637,046	\$ 853,071	12.57%
Estimated Collection Rate	98.2%	98.0%	98.0%	98.0%	100.0%
Estimated Current Year Funds Available	\$ 5,952,502	\$ 6,648,296	\$ 7,484,306	\$ 836,010	12.57%

TAX RATE DISTRIBUTION					
	FY 2022	FY 2023	FY 2024	FY23 to FY24	FY23 to FY24
	TY 2021	TY 2022	TY 2023	\$ Change	% Change
M&O Rate	0.238927	0.217065	0.202334	(0.014731)	-6.79%
M&O Tax Revenue	\$ 4,261,259	\$ 4,976,225	\$ 5,848,495	\$ 872,270	17.53%
I&S Rate	0.100945	0.076767	0.061876	(0.014891)	-19.40%
I&S Tax Revenue	\$ 1,800,352	\$ 1,807,750	\$ 1,788,551	\$ (19,199)	-1.06%
Total Tax Rate	0.339872	0.293832	0.264210	(0.029622)	-10.08%
Total Tax Revenue	\$ 6,061,611	\$ 6,783,975	\$ 7,637,046	\$ 853,071	12.57%

CERTIFICATION OF TAX YEAR 2023 APPRAISAL ROLL

This Certification was issued prior to the Fate City Council adopting changes to the Over 65 and Disabled Persons exemptions on August 14, 2023. Values were recalculated by RCAD using the new exemption amounts and the adjusted values were used in developing the final tax rates. Adjusted Certified Totals are shown after the original certification.



July 24, 2023

CITY OF FATE
RAJU ANTHONY
P O BOX 159
FATE, TX 75132

RE: 2023 Certified Totals

Greetings,

The 2023 Certified Property Values and supporting reports, including the Top Taxpayers, are enclosed.

No-New-Revenue (previously Effective) and Voter-Approval (previously Rollback) tax rates are being calculated at this time, and you may be contacted if additional information is needed. Completed calculations will be sent as soon as possible. If Rockwall Central Appraisal District does not calculate your tax rates, the information has been sent to the office that calculates for you.

Important Note: Per 26.05(a) of the Tax Code, the governing body must adopt a tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, except that the governing body must adopt a tax rate that exceeds the voter-approval tax rate not later than the 71st day before the next uniform election date prescribed by Section 41.001, Election Code, that occurs in November of that year.

If you have any questions, please contact me at kpassons@rockwallcad.com and cc Hannah at hcope@rockwallcad.com.

Sincerely,

Kevin R. Passons, RPA RTA RTC CCA

841 Justin Road
Rockwall, TX 75087
www.rockwallcad.com

Metro: 972-771-2034
Toll Free: 1-877-438-5304
Fax: 972-771-6871

STATE OF TEXAS §
COUNTY OF ROCKWALL §

CERTIFICATION OF 2023 APPRAISAL ROLL FOR CITY OF FATE

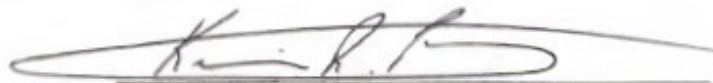
I, Kevin R. Passons, Chief Appraiser for the Rockwall Central Appraisal District, do solemnly swear the attached is the portion of the approved Appraisal Records of the Rockwall Central Appraisal District which lists property taxable by City of Fate and constitutes the appraisal roll for City of Fate with the amounts listed on the attached totals pages, with the heading "Certified Totals".

I, Kevin R. Passons, do hereby certify that the sum of appraised values of all properties on which protests have been filed but not determined by the Appraisal Review Board, is five percent or less of the total appraised value of all other taxable properties, and that the following values are true and correct to the best of my knowledge:

NET TAXABLE VALUE	\$	2,821,010,448
TAXABLE VALUE UNDER REVIEW	\$	33,574,461
CERTIFIED TAXABLE VALUE	\$	2,787,435,987
LESS TAX LIMIT/FREEZE ADJ	\$	-0-
LIMIT ADJ TAXABLE	\$	-0-

The value to be used in the tax rate calculation is the **CERTIFIED TAXABLE VALUE** shown above. The **TAXABLE VALUE UNDER REVIEW** is the sum total of value under protest for those properties shown on the attached list.

Approval of the appraisal records by the Rockwall County Appraisal District Board of Review occurred on the 20th day of July, 2023.

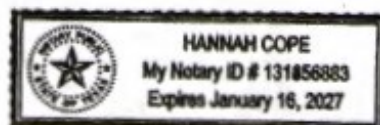


Kevin R. Passons
Chief Appraiser

Sworn and Subscribed before me this day 24th of July, 2023.

Hannah Cope
Notary Public

01/16/2027
Commissions Expires



APPRAISAL TOTALS

8-17-2023

Type: Adjusted Certified Totals

Year: 2023

As of Roll Correction: 4

Property Type List: All

Taxing Unit List: CFA

Taxing Unit Selection Type: Taxing Unit

Mineral Company:

Tag List:

Property List:

Custom Query:

	NOT UNDER REVIEW	UNDER REVIEW	TOTAL
REAL PROPERTY & MFT HOMES	(Count) (8,811)	(Count) (7)	(Count) (8,818)
Land HS Value	1,019,843,914	963,600	1,020,807,514
Land NHS Value	209,394,174	196,000	209,590,174
Ag Land Market Value	53,754,416	0	53,754,416
Total Land Value	1,282,992,504	1,159,600	1,284,152,104
Improvement HS Value	1,953,551,099	1,570,166	1,955,121,265
Improvement NHS Value	161,299,280	645,903	161,945,183
Total Improvement	2,114,850,379	2,216,069	2,117,066,448
Market Value	3,397,842,883	3,375,669	3,401,218,552
BUSINESS PERSONAL PROPERTY	(375)	(0)	(375)
Market Value	58,333,777	0	58,333,777
OIL & GAS / MINERALS	(0)	(0)	(0)
Market Value	0	0	0
OTHER (Intangibles)	(0)	(0)	(0)
Market Value	0	0	0
	(Total Count) (9,186)	(Total Count) (7)	(Total Count) (9,193)
TOTAL MARKET	3,456,176,660	3,375,669	3,459,552,329
Ag Land Market Value	53,754,416	0	53,754,416
Ag Use	183,941	0	183,941
Ag Loss (-)	53,570,475	0	53,570,475
APPRAISED VALUE	3,402,606,185	3,375,669	3,405,981,854
	99.9%	0.1%	100.0%
HS CAP Limitation Value (-)	286,174,970	396,383	286,571,353
NET APPRAISED VALUE	3,116,431,215	2,979,286	3,119,410,501
Total Exemption Amount	228,143,975	100,000	228,243,975
NET TAXABLE	2,888,287,240	2,879,286	2,891,166,526
TAX LIMIT/FREEZE ADJUSTMENT	0	0	0
LIMIT ADJ TAXABLE (I&S)	2,888,287,240	2,879,286	2,891,166,526
CHAPTER 313 ADJUSTMENT	0	0	0
LIMIT ADJ TAXABLE (M&O)	2,888,287,240	2,879,286	2,891,166,526

APPROX TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
 \$8,495,172.43 = 2,891,166,526 * 0.293832 / 100)

EXEMPTIONS	NOT UNDER REVIEW		UNDER REVIEW		TOTAL	
Exemption	Total	Count	Total	Count	Total	Count
Homestead Exemptions						
OV65-Local	21,948,616	914	50,000	2	21,998,616	916
OV65-State	0	0	0	0	0	0
OV65-Prorated	92,193	7	0	0	92,193	7
OV65S-Local	125,000	5	0	0	125,000	5
OV65S-State	0	0	0	0	0	0
OV65S-Prorated	0	0	0	0	0	0
DP-Local	3,734,389	81	50,000	1	3,784,389	82
DP-State	0	0	0	0	0	0
DP-Prorated	0	0	0	0	0	0
DVHS	58,730,776	148	0	0	58,730,776	148
DVHS-Prorated	1,709,179	7	0	0	1,709,179	7
DVHSS	605,315	2	0	0	605,315	2
DVHSS-Prorated	0	0	0	0	0	0
FRSS	351,562	2	0	0	351,562	2
Subtotal for Homestead Exemptions	87,297,030	1,166	100,000	3	87,397,030	1,169
Disabled Veterans Exemptions						
DV1	206,000	31	0	0	206,000	31
DV2	237,000	29	0	0	237,000	29
DV3	535,000	55	0	0	535,000	55
DV4	1,440,000	197	0	0	1,440,000	197
DV4S	60,000	7	0	0	60,000	7
Subtotal for Disabled Veterans Exemptions	2,478,000	319	0	0	2,478,000	319
Special Exemptions						
MASSS	387,466	1	0	0	387,466	1
PC	1,521	2	0	0	1,521	2
Subtotal for Special Exemptions	388,987	3	0	0	388,987	3
Absolute Exemptions						
EX	19,790	1	0	0	19,790	1
EX-Prorated	0	0	0	0	0	0
EX-XJ	52,500	1	0	0	52,500	1
EX-XJ-PRORATED	0	0	0	0	0	0
EX-XR	1,303,702	5	0	0	1,303,702	5
EX-XR-PRORATED	0	0	0	0	0	0
EX-XV	133,248,772	74	0	0	133,248,772	74
EX-XV-PRORATED	508,168	1	0	0	508,168	1
EX366	2,847,026	60	0	0	2,847,026	60
Subtotal for Absolute Exemptions	137,979,958	142	0	0	137,979,958	142
Total:	228,143,975	1,630	100,000	3	228,243,975	1,633

New Value

Total New Market Value:	\$174,777,703
Total New Taxable Value:	\$168,571,011

Exemption Loss

New Absolute Exemptions

Exemption	Description	Count	Last Year Market Value
EX-XV	Other Exemptions (including public property, reli...	6	0
Absolute Exemption Value Loss:		6	0

New Partial Exemptions

Exemption	Description	Count	Partial Exemption Amt
DP	Disability	1	50,000
DV1	Disabled Veterans 10% - 29%	2	17,000
DV2	Disabled Veterans 30% - 49%	6	45,000
DV3	Disabled Veterans 50% - 69%	17	169,000
DV4	Disabled Veterans 70% - 100%	36	336,000
DV4S	Disabled Veterans Surviving Spouse 70% - 100%	1	12,000
DVHS	Disabled Veteran Homestead	12	5,125,059
FRSS	First Responder Surviving Spouse (Special Exemp...	1	351,562
OV65	Over 65	44	1,008,527
Partial Exemption Value Loss:		120	7,114,148
Total NEW Exemption Value			7,114,148

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amt
DP	Disability	76	1,891,136
OV65	Over 65	5	44,659
Increased Exemption Value Loss:		81	1,935,795
Total Exemption Value Loss:			9,049,943

New Special Use (Ag/Timber)

Count	2022 Market Value	2023 Market Value	2023 Special Use	Loss
4	1,340,120	null	4,090	-1,336,030

New Annexations/Deannexations

Annexations	Count	Market Value	Taxable Value
	2	4,159,760	0

Average Homestead Value

Category	Count of HS	Average Market	Average Exemption	Average Taxable
A Only	5,174	406,621	11,681	329,961
A & E	5,210	406,441	11,601	329,894

Property Under Review - Lower Value Used

Count	Market Value	Lower Market Value	Estimated Lower Taxable Value
7	3,375,669	2,632,270	2,234,107

Not Under Review

Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	Single-family Residential	7,554		162,595,945	2,965,363,444	2,590,757,396
B	Multifamily Residential	1		0	143,899	143,899
C1	Vacant Lots and Tracts	896		0	92,150,900	92,117,966
D1	Qualified Open-Space Land	79	2,235.43	0	49,525,556	179,011
D2	Farm or Ranch Improvements on Qualified	10		0	189,560	189,560
E	Rural Land,Not Qualified for Open-Space Land	103		1,507	23,271,088	21,094,204
F1	Commercial Real Property	115		8,024,182	108,404,427	108,404,427
F2	Industrial Real Property	2		0	3,239,153	3,239,153
J1	Water Systems	1		0	3,100	3,100
J2	Gas Distribution Systems	3		0	1,050,549	1,050,549
J3	Electric Companies (including Co-ops)	6		0	22,615,409	22,615,409
J4	Telephone Companies (including Co-ops)	3		0	414,200	414,200
J5	Railroads	6		0	416,594	416,594
J6	Pipelines	1		0	2,693	2,693
J7	Cable Companies	1		0	1,241,651	1,241,651
L1	Commercial Personal Property	312		0	25,122,546	25,084,434
L2	Industrial and Manufacturing Personal Property	33		0	1,424,498	1,422,977
M1	Mobile Homes	4		0	164,989	164,989
O	Residential Inventory	87		4,156,069	15,753,661	15,723,893
S	Special Inventory	16		0	6,830,049	4,021,135
XJ	Private Schools (§11.21)	1		0	52,500	0
XR	Nonprofit Water or Wastewater Corporation	5	03.46	0	1,372,712	0
XV	Other Totally Exempt Properties (including	77	189.08	0	137,423,482	0
Totals:			2,427.96	174,777,703	3,456,176,660	2,888,287,240

Under Review					
Code	Description	Count	Acres	New Value	Market Value Taxable Value
A	Single-family Residential	6		0	2,533,766 2,037,383
F1	Commercial Real Property	1		0	841,903 841,903
Totals:			0	0	3,375,669 2,879,286

CITY OF FATE
State Category Breakdown

Grand Totals

Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	Single-family Residential	7,560		162,595,945	2,967,897,210	2,592,794,779
B	Multifamily Residential	1		0	143,899	143,899
C1	Vacant Lots and Tracts	896		0	92,150,900	92,117,966
D1	Qualified Open-Space Land	79	2,235.43	0	49,525,556	179,011
D2	Farm or Ranch Improvements on Qualified	10		0	189,560	189,560
E	Rural Land,Not Qualified for Open-Space Land	103		1,507	23,271,088	21,094,204
F1	Commercial Real Property	116		8,024,182	109,246,330	109,246,330
F2	Industrial Real Property	2		0	3,239,153	3,239,153
J1	Water Systems	1		0	3,100	3,100
J2	Gas Distribution Systems	3		0	1,050,549	1,050,549
J3	Electric Companies (including Co-ops)	6		0	22,615,409	22,615,409
J4	Telephone Companies (including Co-ops)	3		0	414,200	414,200
J5	Railroads	6		0	416,594	416,594
J6	Pipelines	1		0	2,693	2,693
J7	Cable Companies	1		0	1,241,651	1,241,651
L1	Commercial Personal Property	312		0	25,122,546	25,084,434
L2	Industrial and Manufacturing Personal Property	33		0	1,424,498	1,422,977
M1	Mobile Homes	4		0	164,989	164,989
O	Residential Inventory	87		4,156,069	15,753,661	15,723,893
S	Special Inventory	16		0	6,830,049	4,021,135
XJ	Private Schools (§11.21)	1		0	52,500	0
XR	Nonprofit Water or Wastewater Corporation	5	03.46	0	1,372,712	0
XV	Other Totally Exempt Properties (including	77	189.08	0	137,423,482	0
Totals:			2,427.96	174,777,703	3,459,552,329	2,891,166,526

PROPERTY TAX RATE CALCULATION WORKSHEET

2023 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

CITY OF FATE

Taxing Unit Name

1900 CD Boren Parkway Fate TX 75087

Taxing Unit's Address, City, State, ZIP Code

972-771-4601

Phone (area code and number)

www.fatetx.gov

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	2022 total taxable value. Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹	\$ 2,319,180,037
2.	2022 tax ceilings. Counties, cities and junior college districts. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$ 0
3.	Preliminary 2022 adjusted taxable value. Subtract Line 2 from Line 1.	\$ 2,319,180,037
4.	2022 total adopted tax rate.	\$ 0.293832 /\$100
5.	2022 taxable value lost because court appeals of ARB decisions reduced 2022 appraised value.	
	A. Original 2022 ARB values:	\$ 0
	B. 2022 values resulting from final court decisions:	-\$ 0
	C. 2022 value loss. Subtract B from A. ³	\$ 0
6.	2022 taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. 2022 ARB certified value:	\$ 0
	B. 2022 disputed value:	-\$ 0
	C. 2022 undisputed value. Subtract B from A. ⁴	\$ 0
7.	2022 Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 0

¹ Tex. Tax Code §26.012(14)² Tex. Tax Code §26.012(14)³ Tex. Tax Code §26.012(13)⁴ Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	2022 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 2,319,180,037
9.	2022 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2022. Enter the 2022 value of property in deannexed territory. ⁵	\$ 0
10.	2022 taxable value lost because property first qualified for an exemption in 2023. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value. A. Absolute exemptions. Use 2022 market value: \$ 0 B. Partial exemptions. 2023 exemption amount or 2023 percentage exemption times 2022 value: + \$ 9,049,943 C. Value loss. Add A and B. ⁶	\$ 9,049,943
11.	2022 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2023. Use only properties that qualified in 2023 for the first time; do not use properties that qualified in 2022. A. 2022 market value: \$ 1,340,120 B. 2023 productivity or special appraised value: - \$ 4,090 C. Value loss. Subtract B from A. ⁷	\$ 1,336,030
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 10,385,973
13.	2022 captured value of property in a TIF. Enter the total value of 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2022 taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 0
14.	2022 total value. Subtract Line 12 and Line 13 from Line 8.	\$ 2,308,794,064
15.	Adjusted 2022 total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$ 6,783,975
16.	Taxes refunded for years preceding tax year 2022. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2022. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. ⁹	\$ 3,449
17.	Adjusted 2022 levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$ 6,787,424
18.	Total 2023 taxable value on the 2023 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ A. Certified values: \$ 2,888,287,240 B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$ 0 C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$ 0 D. Tax increment financing: Deduct the 2023 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2023 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹² - \$ 0 E. Total 2023 value. Add A and B, then subtract C and D.	\$ 2,888,287,240

⁵ Tex. Tax Code §26.012(15)⁶ Tex. Tax Code §26.012(15)⁷ Tex. Tax Code §26.012(15)⁸ Tex. Tax Code §26.03(c)⁹ Tex. Tax Code §26.012(13)¹⁰ Tex. Tax Code §26.012(13)¹¹ Tex. Tax Code §26.012, 26.04(c-2)¹² Tex. Tax Code §26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	Total value of properties under protest or not included on certified appraisal roll. ¹⁵	
A.	2023 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁴	\$ 2,234,107
B.	2023 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁵	+ \$ 0
C.	Total value under protest or not certified. Add A and B.	\$ 2,234,107
20.	2023 tax ceilings. Counties, cities and junior colleges enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁶	\$ 0
21.	2023 total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷	\$ 2,890,521,347
22.	Total 2023 taxable value of properties in territory annexed after Jan. 1, 2022. Include both real and personal property. Enter the 2023 value of property in territory annexed. ¹⁸	\$ 0
23.	Total 2023 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2022. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2022 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2023. ¹⁹	\$ 168,571,011
24.	Total adjustments to the 2023 taxable value. Add Lines 22 and 23.	\$ 168,571,011
25.	Adjusted 2023 taxable value. Subtract Line 24 from Line 21.	\$ 2,721,950,336
26.	2023 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰	\$ 0.249358 /\$100
27.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2023 county NNR tax rate. ²¹	\$ 0 /\$100

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	2022 M&O tax rate. Enter the 2022 M&O tax rate.	\$ 0.217065 /\$100
29.	2022 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 2,319,180,037

¹⁵ Tex. Tax Code §26.01(c) and (d)

¹⁶ Tex. Tax Code §26.01(c)

¹⁷ Tex. Tax Code §26.01(d)

¹⁸ Tex. Tax Code §26.012(a)(3)

¹⁹ Tex. Tax Code §26.012(f)

²⁰ Tex. Tax Code §26.012(f)

²¹ Tex. Tax Code §26.04(c)

²² Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	Total 2022 M&O levy. Multiply Line 28 by Line 29 and divide by \$100	\$ 5,034,128
31.	Adjusted 2022 levy for calculating NNR M&O rate.	
	A. M&O taxes refunded for years preceding tax year 2022. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. + \$ 2,496	
	B. 2022 taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2023 captured appraised value in Line 18D, enter 0. - \$ 0	
	C. 2022 transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- \$ 0	
	D. 2022 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. \$ 2,496	
	E. Add Line 30 to 31D.	\$ 5,036,624
32.	Adjusted 2023 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 2,721,950,336
33.	2023 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.185037 /\$100
34.	Rate adjustment for state criminal justice mandate.²³ If not applicable or less than zero, enter 0.	
	A. 2023 state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0	
	B. 2022 state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. - \$ 0	
	C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ 0 /\$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	\$ /\$100
35.	Rate adjustment for indigent health care expenditures.²⁴ If not applicable or less than zero, enter 0.	
	A. 2023 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose. \$ 0	
	B. 2022 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. - \$ 0	
	C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ 0 /\$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0 /\$100

²³ (Reserved for expansion)²⁴ Tex. Tax Code §26.044²⁵ Tex. Tax Code §26.041

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	Rate adjustment for county indigent defense compensation. ²⁵ If not applicable or less than zero, enter 0. <p>A. 2023 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose..... \$ 0</p> <p>B. 2022 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose..... \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0 /\$100</p> <p>D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100..... \$ 0 /\$100</p> <p>E. Enter the lesser of C and D. If not applicable, enter 0.</p>	\$ 0 /\$100
37.	Rate adjustment for county hospital expenditures. ²⁶ If not applicable or less than zero, enter 0. <p>A. 2023 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023. \$ 0</p> <p>B. 2022 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0 /\$100</p> <p>D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100..... \$ 0 /\$100</p> <p>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.</p>	\$ 0 /\$100
38.	Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information. <p>A. Amount appropriated for public safety in 2022. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year. \$ 0</p> <p>B. Expenditures for public safety in 2022. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year. \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100 \$ 0 /\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0 /\$100
39.	Adjusted 2023 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	\$ 0.185037 /\$100
40.	Adjustment for 2022 sales tax specifically to reduce property taxes. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2022 should complete this line. These entities will deduct the sales tax gain rate for 2023 in Section 3. Other taxing units, enter zero. <p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2022, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent. \$ 0</p> <p>B. Divide Line 40A by Line 32 and multiply by \$100 \$ 0 /\$100</p> <p>C. Add Line 40B to Line 39.</p>	\$ 0.185037 /\$100
41.	2023 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below. Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. - or - Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.	\$ 0.191513 /\$100

²⁵ Tex. Tax Code §26.0442
²⁶ Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	Disaster Line 41 (D41): 2023 voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2) the third tax year after the tax year in which the disaster occurred If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. ²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	\$ 0 /\$100
42.	Total 2023 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses. A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. ²⁸ Enter debt amount \$ 1,789,803 B. Subtract unencumbered fund amount used to reduce total debt. - \$ 0 C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) - \$ 0 D. Subtract amount paid from other resources - \$ 0 E. Adjusted debt. Subtract B, C and D from A. \$ 1,789,803	
43.	Certified 2022 excess debt collections. Enter the amount certified by the collector. ²⁹	\$ 0
44.	Adjusted 2023 debt. Subtract Line 43 from Line 42E.	\$ 1,789,803
45.	2023 anticipated collection rate. A. Enter the 2023 anticipated collection rate certified by the collector. ³⁰ 100 % B. Enter the 2022 actual collection rate. 100.07 % C. Enter the 2021 actual collection rate. 100.75 % D. Enter the 2020 actual collection rate. 100.09 % E. If the anticipated collection rate in A is lower than actual collection rates in B, C, and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. ³¹	100.07 %
46.	2023 debt adjusted for collections. Divide Line 44 by Line 45E.	\$ 1,788,551
47.	2023 total taxable value. Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet.	\$ 2,890,521,347
48.	2023 debt rate. Divide Line 46 by Line 47 and multiply by \$100.	\$ 0.061876 /\$100
49.	2023 voter-approval tax rate. Add Lines 41 and 48.	\$ 0.253389 /\$100
D49.	Disaster Line 49 (D49): 2023 voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$ 0 /\$100

²⁷ Tex. Tax Code §26.042(a)²⁸ Tex. Tax Code §26.012(f)²⁹ Tex. Tax Code §26.012(f)(8) and 26.04(b)³⁰ Tex. Tax Code §26.04(b)³¹ Tex. Tax Code §26.04(b), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2023 county voter-approval tax rate.	\$ 0 /\$100

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	Taxable Sales. For taxing units that adopted the sales tax in November 2022 or May 2023, enter the Comptroller's estimate of taxable sales for the previous four quarters. ²¹ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2022, enter 0.	\$ 0
52.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ²² Taxing units that adopted the sales tax in November 2022 or in May 2023. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ²⁴ - or - Taxing units that adopted the sales tax before November 2022. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ 0
53.	2023 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0
54.	Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100.	\$ 0 /\$100
55.	2023 NNR tax rate, unadjusted for sales tax. ²⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0 /\$100
56.	2023 NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2022 or in May 2023. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2022.	\$ 0 /\$100
57.	2023 voter-approval tax rate, unadjusted for sales tax. ²⁶ Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0 /\$100
58.	2023 voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.	\$ 0 /\$100

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ²⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ²⁸	\$ 0
60.	2023 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 2,890,521,347
61.	Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$ 0 /\$100
62.	2023 voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ 0.253389 /\$100

²¹ Tex. Tax Code §26.041(d)

²² Tex. Tax Code §26.041(f)

²³ Tex. Tax Code §26.041(d)

²⁴ Tex. Tax Code §26.04(c)

²⁵ Tex. Tax Code §26.04(c)

²⁶ Tex. Tax Code §26.045(d)

²⁷ Tex. Tax Code §26.045(d)

²⁸ Tex. Tax Code §26.045(e)

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate adjusted to remove the unused increment rate for the prior three years.³⁹ In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the portion of the unused increment rate must be backed out of the calculation for that year.

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;⁴⁰
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴¹ or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴²

Individual components can be negative, but the overall rate would be the greater of zero or the calculated rate.

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴³

Line	Unused Increment Rate Worksheet	Amount/Rate
63. Year 3 component.	Subtract the 2022 actual tax rate and the 2022 unused increment rate from the 2022 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 67).....	\$ 0.279454 /\$100
B.	Unused increment rate (Line 66).....	\$ 0 /\$100
C.	Subtract B from A.....	\$ 0.279454 /\$100
D.	Adopted Tax Rate.....	\$ 0.293832 /\$100
E.	Subtract D from C.....	\$ -0.014378 /\$100
64. Year 2 component.	Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 67).....	\$ 0.324649 /\$100
B.	Unused increment rate (Line 66).....	\$ 0 /\$100
C.	Subtract B from A.....	\$ 0.324649 /\$100
D.	Adopted Tax Rate.....	\$ 0.339872 /\$100
E.	Subtract D from C.....	\$ -0.015223 /\$100
65. Year 1 component.	Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 65).....	\$ 0.273339 /\$100
B.	Unused increment rate (Line 64).....	\$ 0 /\$100
C.	Subtract B from A.....	\$ 0.273339 /\$100
D.	Adopted Tax Rate.....	\$ 0.273339 /\$100
E.	Subtract D from C.....	\$ 0 /\$100
66. 2023 unused increment rate.	Add Lines 63E, 64E and 65E.	\$ 0 /\$100
67. Total 2023 voter-approval tax rate, including the unused increment rate.	Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$ 0.253389 /\$100

³⁹ Tax. Tax Code §26.013(a)

⁴⁰ Tax. Tax Code §26.013(c)

⁴¹ Tax. Tax Code §26.0501(a) and (c)

⁴² Tax. Local Gov't Code §120.007(f), effective Jan. 1, 2022

⁴³ Tax. Tax Code §26.063(a)(1)

⁴⁴ Tax. Tax Code §26.012(f-a)

⁴⁵ Tax. Tax Code §26.063(a)(1)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴⁶ This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴⁵

Line	De Minimis Rate Worksheet	Amount/Rate
68.	Adjusted 2023 NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.185037 /\$100
69.	2023 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 2,890,521,347
70.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 69 and multiply by \$100.	\$ 0.017297 /\$100
71.	2023 debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.061876 /\$100
72.	De minimis rate. Add Lines 68, 70 and 71.	\$ 0.26421 /\$100

SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁶

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.⁴⁷

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	2022 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0 /\$100
74.	Adjusted 2022 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2022 and the taxing unit calculated its 2022 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2022 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2022 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2022, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2022 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. ⁴⁸ Enter the final adjusted 2022 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2022 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	\$ 0 /\$100
75.	Increase in 2022 tax rate due to disaster. Subtract Line 74 from Line 73.	\$ 0 /\$100
76.	Adjusted 2022 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0
77.	Emergency revenue. Multiply Line 75 by Line 76 and divide by \$100.	\$ 0
78.	Adjusted 2023 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0
79.	Emergency revenue rate. Divide Line 77 by Line 78 and multiply by \$100. ⁴⁹	\$ 0 /\$100

⁴⁶ Tex. Tax Code §26.042(b).

⁴⁷ Tex. Tax Code §26.042(f).

⁴⁸ Tex. Tax Code §26.042(c).

⁴⁹ Tex. Tax Code §26.042(b).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
80.	2023 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ <u>0</u> /\$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. \$ 0.249358 /\$100
 As applicable, enter the 2023 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).
 Indicate the line number used: 26

Voter-approval tax rate. \$ 0.253389 /\$100
 As applicable, enter the 2023 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue).
 Indicate the line number used: 49

De minimis rate. \$ 0.26421 /\$100
 If applicable, enter the 2023 de minimis rate from Line 72.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.⁵⁰

**print
here** ➔

Kevin R. Parsons
 Printed Name of Taxing Unit Representative

**sign
here** ➔

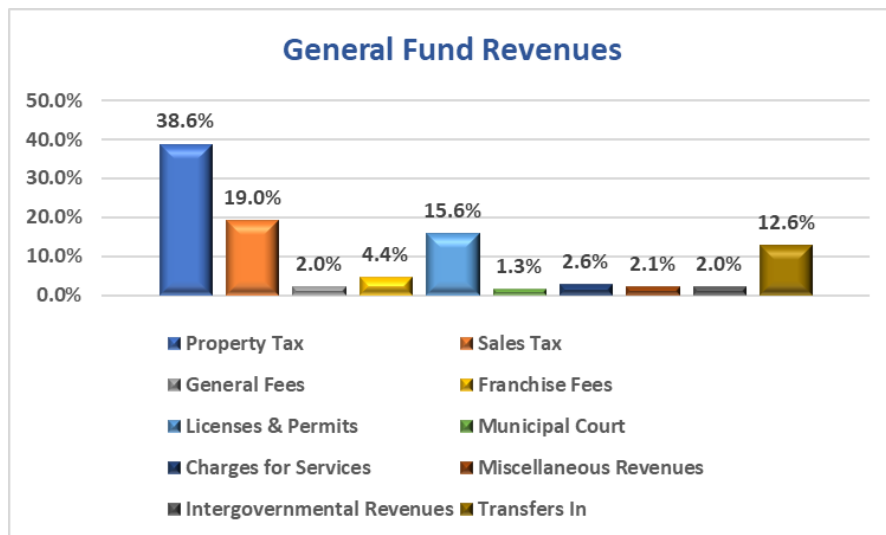
[Signature]
 Taxing Unit Representative

08-17-2023
 Date

⁵⁰ Tex. Tax Code §§26.04(c-2) and (d-2)

GENERAL FUND REVENUES

	2021 Actual	2022 Actual	2023 Adopted	2023 Amended	2023 Projected	2024 Proposed	Percent Change (*)
Revenue Source							
Property Tax	3,621,201	4,300,238	5,042,270	5,042,270	5,056,250	5,769,608	14.4%
Sales Tax	1,108,355	2,270,819	2,433,000	2,433,000	2,502,000	2,836,000	16.6%
General Fees	0	0	0	0	0	293,112	n/a
Franchise Fees	465,892	552,679	535,238	535,238	640,256	655,504	22.5%
Licenses & Permits	3,104,349	3,552,605	2,867,214	2,867,214	2,385,605	2,336,742	-18.5%
Municipal Court	144,388	188,666	185,366	185,366	194,290	194,290	4.8%
Charges for Services	522,439	178,917	305,950	305,950	300,690	385,095	25.9%
Miscellaneous Revenues	55,764	167,414	92,000	92,000	276,205	312,800	240.0%
Intergovernmental Revenues	340,006	200,412	278,376	278,376	332,156	296,661	6.6%
Revenue Before Transfers	9,362,394	11,411,750	11,739,414	11,739,414	11,687,452	13,079,812	11.4%
Transfers In	1,542,593	1,435,429	1,608,839	1,608,839	1,608,839	1,880,066	16.9%
Total Revenues	10,904,987	12,847,179	13,348,253	13,348,253	13,296,291	14,959,878	12.1%



Property Tax

The Rockwall County Appraisal District (RCAD) establishes the value of each property within the City of Fate and the City budgets tax revenue based on such value. For tax year 2023 net taxable value is estimated at \$2,890,521,347 which is an increase of \$581,727,283 over tax year 2022. For fiscal year 2023-2024 the proposed tax rate is 0.264210/\$100 of valuation which is the De minimis rate as allowed per the Tax Code for cities with populations under 30,000.

Both Property Tax Penalty income and Delinquent Property Tax income are difficult to predict as there is no way to determine how many property owners will pay late and/or have penalties assessed to their tax bills. The budget for delinquent and penalty collections is based upon collections from previous years.

Property Taxes have been estimated using a 98.0% collection rate, which is based on historical collections. For further discussion of the property tax rate and related revenue refer to the Property Tax: Valuation & Rates section of the budget document.

Sales Tax

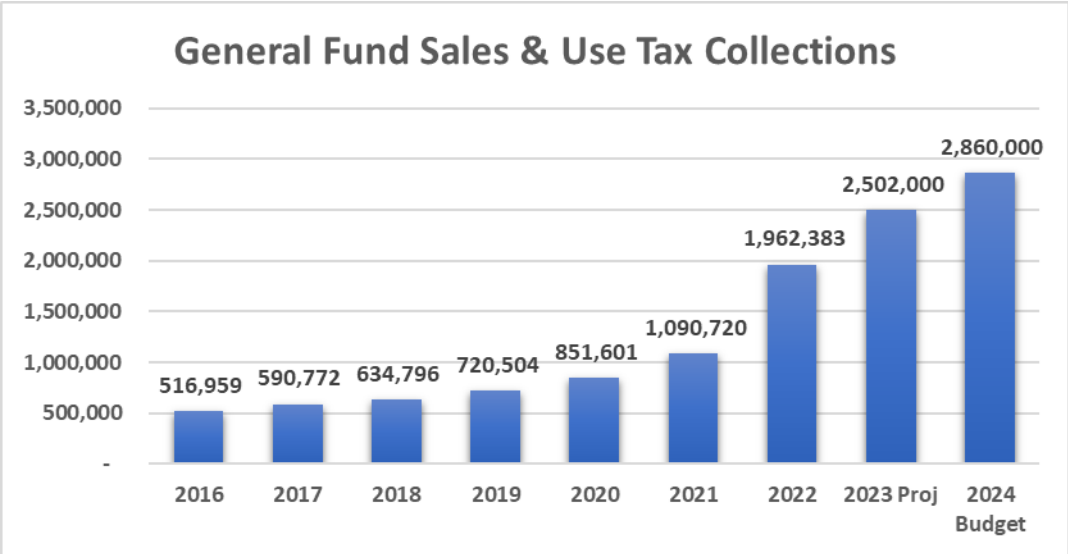
Sales tax is collected on taxable commodities and services purchased within the Fate City limits and by remote sellers and marketplace providers. In recent years the General Fund sales tax revenue has been positively impacted by the following factors:

- The rise of e-commerce and ability to collect sales tax from internet sales.
- The opening of new businesses within Fate’s City limits such as Fresh by Brookshire’s with more to come in the near future.
- The dissolution of the Fate Development Corporation (FDC) in May 2021. The previously collected 0.50% sales tax by the FDC is now collected in the General Fund.

The sales tax rate for the City of Fate is 8.25%, which breaks down as follows:

Sales Tax	
State of Texas	6.25%
City of Fate	1.50%
Fate Municipal Development District No. 1	0.50%
Total	8.25%

Sales tax is a volatile source of revenue and it is difficult to predict with certainty. As part of the budget process the City hired an outside consultant, ZacTax, to help evaluate sales tax trends and develop a probability forecast. Based on the results of the study the median confidence interval of \$2,860,000 was selected. This represents a 19% of total City revenues and a 13% increase from the FY 2023 projected amount of \$2,502,000.



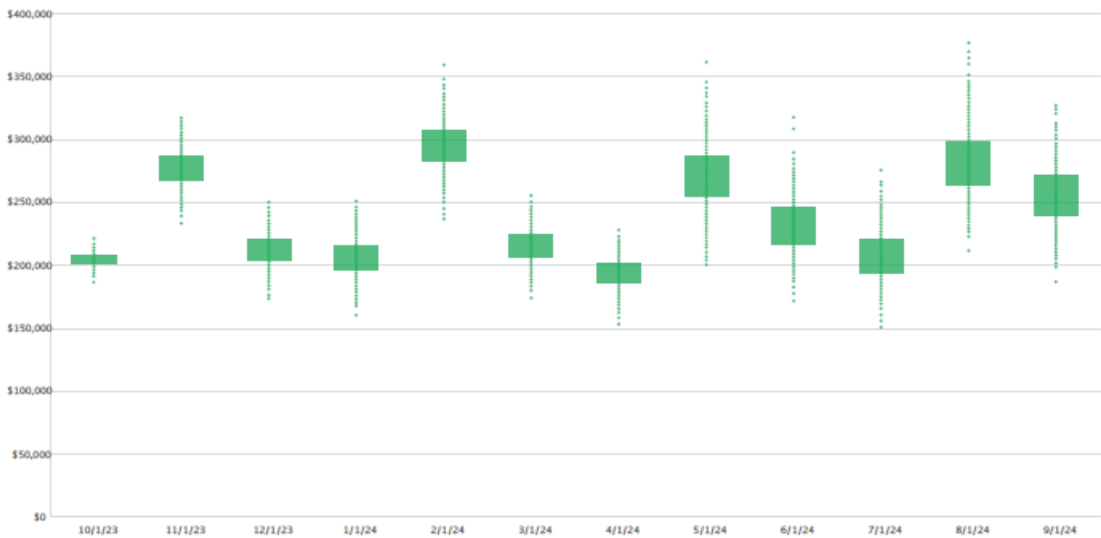
The following is an excerpt from the Sales Tax Probability Forecast report provided by ZacTax:

The following section is a summary of the FY24 forecast results. The table below shows key percentiles for the FY24 estimates, while the boxplot below shows the ranges for each simulated month. The ranges of possible outcomes vary month to month depending on a variety of factors, and tend to grow over time.

The ranges tend to widen the further out the forecast goes, which is a result of those periods being both further away chronologically, and because their forecasts are based on projected FY23 data rather than actuals.

One important aspect of any sales tax forecast is the inclusion of known and/or planned developments that will occur during the year. City of Fate staff provided a list of expected developments along with timelines and anticipated revenue amounts. These items were evaluated and compared against similar developments in other ZacTax client cities before including them in the forecast. As a result of this vetting process, some revenue assumptions may have been revised up or down prior to running the forecast.

Min	5th	25th	Median	75th	95th	Max
\$2.67m	\$2.75m	\$2.81m	\$2.86m	\$2.90m	\$2.96m	\$3.06m



Franchise Fees

Franchise fees are charged to utility companies for use of City right-of-way to provide their services. These fees vary by company service and are established by the City Council when the use of the right-of-way is requested by the service provider. Generally, this fee is no more than 5% of the revenues collected by the service providers.

Franchise fees account for 4% of total general fund revenue. The FY 2024 was estimated using historical trends and/or contract-specific procedures.

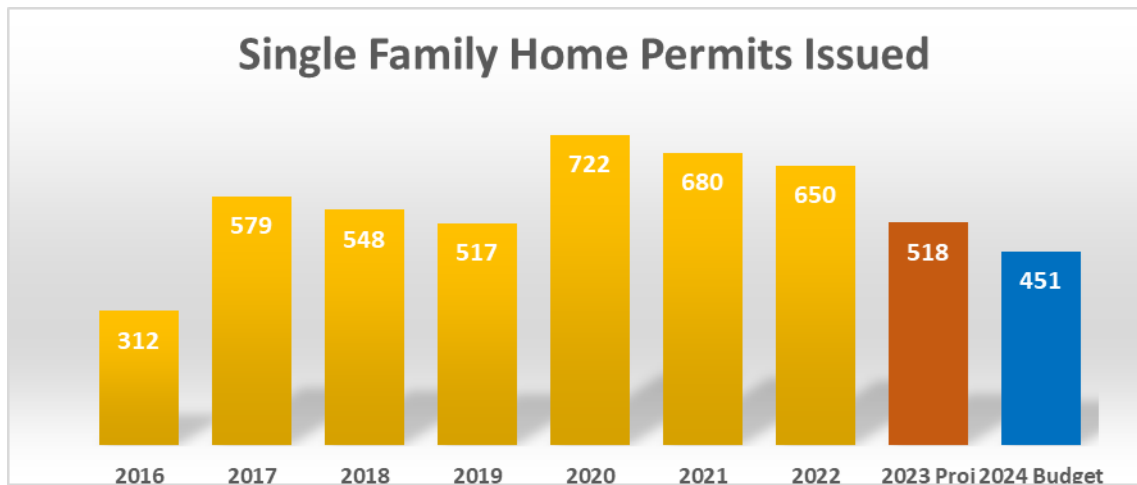
General Fees

This budget includes a proposal to create a Road Fee of \$3.00/month per Utility account. The budget is based on the number of current accounts plus FY24 expected growth.

Licenses & Permits

Development Revenue is the second largest source of General Fund revenue and it is driven by building activity in the City. Permits issued by the City for new construction of residential and business property, electrical, fences, plumbing, installation of sprinkler systems and pools, etc. are accounted for in this revenue section. The City continues to project a robust amount of permit revenue based on a variety of key factors:

- Number of available lots that can be permitted
- Number of anticipated phases to be accepted
- Historical averages
- Developer forecasts
- Current market conditions
- Conservative approach to one-time revenue



Municipal Court

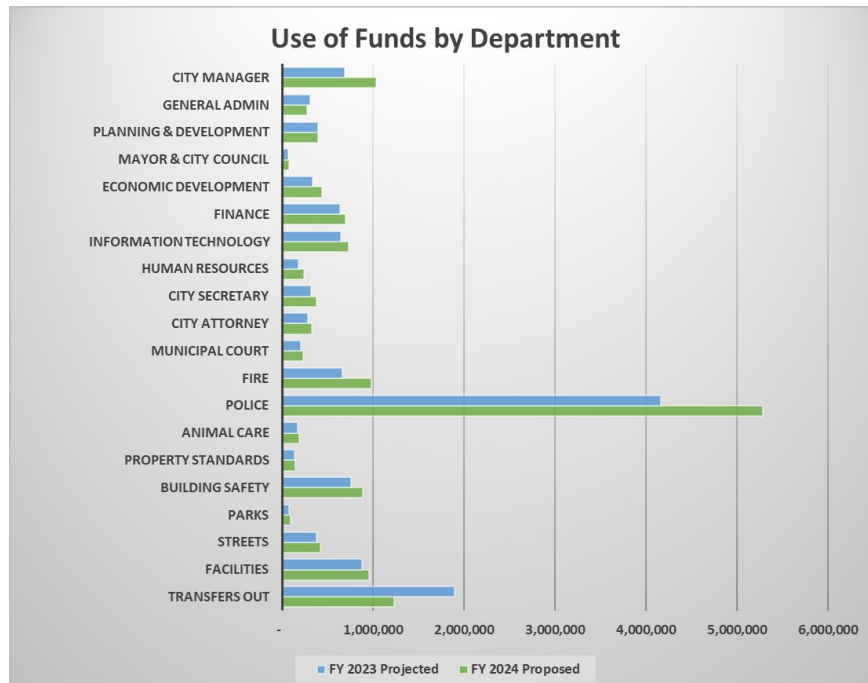
This revenue source is the City's portion of fines and fees collected for law violations such as traffic violations. This revenue source represents a small percentage of total revenues and it is projected using historical data.

Charges for Services

This revenue source includes fees charged for the rental of City facilities, cell tower leases, processing fees charged for credit card usage, fire/burglar alarm fees, and commercial leases. It is projected using historical data and current lease schedules.

GENERAL FUND USE OF FUNDS

	2021 Actual	2022 Actual	2023 Adopted	2023 Amended	2023 Projected	2024 Proposed	Percent Change
Department							
10 City Manager	548,645	611,983	1,138,587	1,138,587	684,872	1,027,393	-9.77%
11 General Administration	1,640,092	1,455,535	274,461	274,461	308,785	271,500	-1.08%
12 Planning & Development	513,964	421,615	424,443	424,443	390,965	391,972	-7.65%
13 Mayor & City Council	42,851	42,079	56,500	56,500	68,063	70,900	25.49%
14 Economic Development	90,500	189,874	370,187	370,187	334,941	435,954	17.77%
15 Finance	525,673	573,606	640,692	640,692	638,975	692,846	8.14%
16 Information Technology	428,956	445,458	640,954	640,954	639,980	728,098	13.60%
18 Human Resources	159,676	160,958	179,379	179,379	177,948	239,830	33.70%
20 City Secretary	204,896	241,594	306,655	306,655	311,844	376,929	22.92%
25 City Attorney	-	271,159	288,558	288,558	279,205	327,300	13.43%
30 Municipal Court	211,836	192,572	203,327	203,327	203,092	226,920	11.60%
35 Department of Public Safety-Fire	-	352,792	725,045	725,045	661,094	983,186	35.60%
40 Department of Public Safety-Police	3,399,003	3,449,668	4,459,415	4,459,415	4,162,645	5,282,498	18.46%
42 Animal Care Services	155,215	152,383	172,351	172,351	172,090	186,167	8.02%
45 Property Standards	105,508	98,389	134,615	134,615	133,546	145,970	8.44%
50 Building Safety	580,306	559,849	857,981	857,981	756,369	880,975	2.68%
55 Parks	96,510	65,088	70,642	70,642	72,358	91,900	30.09%
60 Streets	891,884	938,482	372,703	372,703	376,574	417,363	11.98%
65 Facilities	470,355	597,309	914,650	914,650	874,428	954,761	4.39%
Expenditures before transfers	10,065,870	10,820,393	12,231,145	12,231,145	11,247,774	13,732,462	12.27%
Transfers Out	2,441,444	166,364	1,117,108	2,556,950	1,890,282	1,227,416	-52.00%
Total Expenditures	12,507,314	10,986,757	13,348,253	14,788,095	13,138,056	14,959,878	1.16%



CITY MANAGER DEPARTMENT

The City Manager's purpose is to lead the City's day-to-day operations, recommend policy, and act as the point of contact between the City's departments and the City Council. As a "go-between," the City Manager serves as a guide to the Council as they formulate City policies, and as an administrator for the organization as the staff implements the Council's policies.

The City Manager's department is comprised of the City Manager, Assistant City Manager, Assistant to the City Manager, and Public Engagement Coordinator. These roles support various Boards and Commissions such as the Fate Municipal Development District (MDD), Charter Commission (when active), and the Fate Public Facilities Corporation (PFC). Additional functions include state and federal relations, emergency support, grant funding support, budget and capital improvement planning support, economic development, business retention, public communications, and community engagement.

Core Values:

Long-term focus, fiscal responsibility, and engagement

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
City Manager	1.0	1.0	1.0
Assistant City Manager	1.0	1.0	1.0
Assistant to City Manager	1.0	1.0	1.0
Public Information Officer	-	1.0	1.0
Total FTE's	3.0	4.0	4.0

FY 2023 ACHIEVEMENTS

- * Supported the completion of the Parks & Trails Master Plan and Unified Development Ordinance updates.
- * Assisted with the management of parks and recreation grant funding and the development of Joe Burger Park and Fate Station Park.
- * Continued the award-winning Fate Power Switch and Fate Solar Switch programs.
- * Partnered with the YMCA to create the first ever Youth Sports Programming for the community.
- * Implemented new communications tools such as SeeClickFix, Frase Answer Engine, and Zencity to allow for improved community engagement and reporting.
- * Increased communications, reach, and followers on all social media platforms.
- * Provided high-level response and communications during winter storms throughout the area.
- * Assisted with bringing more quality businesses to the I30 Corridor and downtown.
- * Received an award from ICMA for Strategic Leadership and Governance for the City's New Development Fiscal Analysis.
- * Competed as one of the top 16 cities in North America in the National Strongest Towns Competition.
- * Advocated for the City's interests in Austin to promote local control and effective government.
- * Gathered data from the National Citizen Survey related to livability and place-attachment.

FY 2024 INITIATIVES

- * Promote fiscally productive development opportunities and continue to create a “sense of place” in Fate.
- * Create a communication plan and increase engagement with citizens by sharing the City’s efforts, services, and initiatives while also expanding a Fate centric identity.
- * Make progress on funding acquisition for City improvements from federal and/or state sources.
- * Continue to improve the City’s public perception and reputation with citizens and constituents across the State and nation.
- * Increase Youth Sports Programming for the community of Fate to include more offerings and options.
- * Support the creation of Emergency Management operational-level plans for use in crisis and disaster situations.
- * Work toward seeing citizen scores for Fate’s municipal government rise in the National Community Survey next year.
- * Continue the Fate Power Switch & Solar Switch programs, saving residents time and money.

PERFORMANCE MEASURES					
STRATEGIC PRIORITY	OBJECTIVE	MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SENSE OF COMMUNITY	Increase City Messaging Efforts	Educate the community through communications with 10% increased website visitation (as of October 1, 2021 – 193,631 visitors per year)	310,402	364,683	400,000
		Increase community outreach by 10% with social media (as of October 13, 2021 = City of Fate Facebook followers 8,239 and DPS Facebook Followers = 7,644).	9847/10100	11559/13234	13000/16000
	Build Community Connections and Engagement	Improve the City’s public perception and reputation by conducting at least three surveys to gain feedback.	3	3	4
FISCAL RESILIENCY & ACCOUNTABILITY	Responsible Debt/Expense Management	Complete negotiations on new water contract with NTMWD.	In progress	Complete	N/A
	Ensure Fiscally Productive Development	Support intense zoning of the Yu Tract.	*N/A	Potentially	Yes
	Ensure Fiscally Productive Development	Support a reasonable Economic Development agreement for the Yu Tract.	*N/A	Potentially	Yes
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	Provide citizens access to the Fate Power and Solar Switch programs with three or more registration periods.	4	5	5
	Proactively Maintain and Improve Existing and New Infrastructure	Apply for at least one grant or appropriation request to fund City services and/or infrastructure.	1	2	3

Expenditures 100-10							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	193,302	203,359	208,391	208,391	206,469	230,035
51020	Operational	204,761	228,289	283,941	283,941	277,370	314,713
51030	Longevity Pay	1,133	1,703	1,650	1,650	1,313	803
51040	Employee Merit	600	600	800	800	600	800
51080	Contract Labor	-	-	-	-	-	10,000
51090	Auto Allowance	13,000	13,000	13,000	13,000	13,000	13,000
51095	Other Allowances & Reimb	-	5,000	-	-	-	-
51100	FICA	27,704	30,369	38,845	38,845	33,980	42,790
51110	Retirement	42,268	46,475	52,149	52,149	50,666	56,550
51119	HRA Card Expense	10,244	11,519	15,006	15,006	16,009	15,435
51120	Employee Health Care Cost	34,369	37,812	49,611	49,611	51,053	63,098
51121	Dental Insurance	2,048	2,261	2,627	2,627	2,254	2,462
51122	Life & Disability Insurance	1,931	2,063	1,961	1,961	2,156	1,863
51140	Worker's Comp. Insurance	955	829	1,177	1,177	1,089	1,279
	Total Salary & Benefits	532,315	583,278	669,158	669,158	655,959	752,828
52010	Office Supplies	154	706	400	400	400	400
52011	Postage	164	483	200	200	370	400
52030	Office Equip/Furniture/Fixture	15	-	250	250	250	250
52090	Wearing Apparel	-	-	150	150	150	200
	Total Supplies	333	1,189	1,000	1,000	1,170	1,250
54021	Natural Gas	-	(26)	-	-	-	-
54050	Insurance - Liab & Property	936	1,218	-	-	758	800
54130	Training & Travel	8,621	19,474	17,187	17,187	17,187	19,187
54140	Membership Dues	6,151	5,875	7,298	7,298	7,298	8,013
54240	Consulting Services	-	1,125	2,500	2,500	2,500	2,500
54250	Miscellaneous Services	-	(150)	-	-	-	-
	Total Contractual	15,708	27,516	26,985	26,985	27,743	30,500
55210	Disaster Events	290	-	-	-	-	-
55600	Contingency	-	-	441,444	441,444	-	242,815
	Total Miscellaneous Charges	290	-	441,444	441,444	-	242,815
TOTAL CITY MANAGER DEPT.		548,646	611,983	1,138,587	1,138,587	684,872	1,027,393

GENERAL ADMINISTRATION DEPARTMENT

The General Administration department is a budget cost center for general administrative costs attributable to all departments in the General Fund.

Core Values:

- Serve those who serve.
- Readiness & responsiveness.

Personnel

The General Administration department currently does not fund personnel.

FY 2023 ACHIEVEMENTS

- * Actively advocated for the City of Fate's legislative agenda at the Texas State Legislature in Austin and supported statewide efforts by cities to defend municipal powers.
- * Continued the National Citizen Survey and maintained high benchmarks in many areas.

FY 2024 INITIATIVES

- * Continue applying for Federal Competitive Infrastructure Funding Opportunities for Local Governments.
- * Sustain employee retention efforts while also supporting Fate employees in their desires to pursue learning, certification, and growth opportunities.

Expenditures 100-11							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
52010	Office Supplies	878	-	-	-	-	-
52030	Office Equip/Furniture/Fixture	13,638	-	-	-	-	-
	Total Supplies	14,516	-	-	-	-	-
54030	Software Costs & IT Support	1,686	12,986	-	-	-	-
54050	Insurance - Liab. & Property	14,307	12,863	11,761	11,761	17,535	600
54120	Public Communications	19,313	17,973	22,050	22,050	22,050	22,050
54140	Membership Dues	13,906	11,730	13,250	13,250	14,750	15,400
54160	Billing & Collections	-	1,112	-	-	-	-
54165	Contract Services	16,588	18,898	21,000	21,000	22,050	22,050
54220	Engineering Services	125,329	86,666	100,000	100,000	100,000	105,000
54230	Legal Services	151,998	747	-	-	-	-
54235	Lobbying Activities	54,200	54,200	106,400	106,400	106,400	106,400
54240	Consulting Services	16,584	15,982	-	-	26,000	-
	Total Contractual	413,911	233,158	274,461	274,461	308,785	271,500
55100	Incentive to Developer	100,000	450,000	-	-	-	-
	Total Miscellaneous Charges	100,000	450,000	-	-	-	-
56010	Capital-Land Purchase	81,289	772,377	-	-	-	-
56020	Capital-Buildings	1,030,377	-	-	-	-	-
	Total Capital Outlay	1,111,666	772,377	-	-	-	-
TOTAL GENERAL ADMIN DEPT.		1,640,093	1,455,535	274,461	274,461	308,785	271,500

PLANNING & DEVELOPMENT SERVICES DEPARTMENT

The function of the Planning and Development Services Department is to provide professional support and technical expertise to citizens, elected officials, appointed board and commission members, and City departments while focusing on a long-term commitment to a fiscally productive community and development design excellence through high quality plan review and implementation.

The Planning and Development Services Department reviews development applications for compliance with adopted City codes and zoning ordinances. Staff provides guidance and offers recommendations to developers, contractors, and property owners that are consistent with the City's Comprehensive Plan and Unified Development Ordinance. The department plays a critical role in overseeing the orderly and sustainable development of property while also providing core Geographic Information Services (GIS) program oversight.

Core Values

- Cultivate a vibrant and fiscally productive community, where staff negotiates effectively, goals remain the focus, expectations are met, above bottom-line developments are constructed, and a "Strong Towns" development pattern is promoted and implemented.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Director of Planning & Development Services	1.0	1.0	1.0
Project Coordinator	1.0	-	-
City Planner	1.0	1.0	1.0
Planning Technician	-	1.0	1.0
Total FTE's	3.0	3.0	3.0

FY 2023 ACHIEVEMENTS

- * Adopted Unified Development Ordinance updates, establishing productive revisions to zoning districts, development and subdivision standards, connectivity standards, downtown sign code, and parking schedule, among others.
- * Supported the completion and adoption of the Parks Master Plan through provision and analysis of geographic data and goals development.
- * Worked with property owner to prepare zoning and master plan application for the 267-acre Yu Tract (I-30/FM 551 focus area).
- * Held three joint work sessions with P&Z and Council for major development proposals.
- * Coordinated and hosted an "exemplary projects tour" for Council and P&Z to prepare for upcoming development opportunities.
- * Significant zoning and site planning for Petro Hunt-owned commercial and mixed-use properties south of I-30 (Fate Village and periphery).
- * Assisted in the launch of the Cartegraph asset management platform through project support and GIS data procurement and management.
- * Supported expansion of the commercial sector through negotiations with commercial developers and brokers, and zoning and site plan reviews to entitle commercial developments.
- * Prepared white paper on parking management strategies and initiated evaluation of local implementation options.

- * Prepared and adopted complete streets policy.
- * Presented on City projects and accomplishments at regional and national conferences (APA Texas, APA National, SCAUG).
- * Updated fiscal analysis worksheet.
- * Continued professional development opportunities for new and seasoned staff.
- * Hired and trained new Planning Technician.

FY 2024 INITIATIVES

- * Secure zoning for the 267-acre Yu Tract (I-30/FM 551 focus area). Initiate platting and site plan reviews.
- * Facilitate permitting for Phase 2 of Fate Village commercial development.
- * Implement City-initiated zoning within strategic areas.
- * Initiate city-wide sidewalk and trail gap analysis.
- * Implement ArcUrban for major project fiscal analysis.
- * Update planning-related fee schedule.
- * Update development packet and application forms and checklists.
- * Initiate and adopt omnibus text amendments to the UDO.
- * Coordinate additional mapping cleanup with RCAD.
- * Support implementation of Forward Fate Comprehensive Plan strategy DI-2.4 and HC-2.1 by encouraging a variety of housing types for the city.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
FISCAL RESILIENCY & ACCOUNTABILITY	Ensure Fiscally Productive Development	Percentage of adopted projects that meet or exceed the 1:22 public-to-private ratio from the adopted Forward Fate Comprehensive Plan	83%	87%	87%
		NCS Rating for quality of land use, planning, and zoning (% rated excellent or good)	43%	43%	45%
SENSE OF COMMUNITY	Utilize the Community Survey	NCS rating for well-designed neighborhoods (% rated excellent or good)	73%	75%	75%
		NCS rating for perception that Fate offers a variety of housing options (% rated excellent or good)	58%	60%	62%
		NCS rating for overall design or layout of residential and commercial areas (% rated excellent or good)	60%	62%	64%
		NCS rating for overall quality of new development in Fate (% rated excellent or good)	71%	71%	73%

Expenditures 100-12							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	95,164	114,434	121,006	121,006	121,075	130,954
51020	Operational	92,819	106,746	103,031	103,031	101,798	116,468
51030	Longevity Pay	1,225	175	105	105	195	315
51040	Employee Merit	600	600	600	600	400	600
51070	Overtime	887	157	-	-	58	-
51100	FICA	14,370	16,660	17,193	17,193	16,853	18,998
51110	Retirement	19,850	22,895	23,081	23,081	22,956	25,107
51119	HRA Card Expense	14,125	15,389	15,006	15,006	14,763	15,435
51120	Employee Health Care Cost	17,781	21,880	27,324	27,324	24,590	29,061
51121	Dental Insurance	939	1,086	1,108	1,108	952	1,135
51122	Life & Disability Insurance	1,043	1,235	1,218	1,218	1,134	1,132
51140	Worker's Comp. Insurance	483	367	521	521	361	567
	Total Salary & Benefits	259,286	301,622	310,193	310,193	305,135	339,772
52010	Office Supplies	1,043	436	1,200	1,200	1,200	1,200
52011	Postage	262	241	300	300	300	300
52020	Printing	191	27	200	200	200	200
52030	Office Equip/Furniture/Fixtur	540	993	500	500	500	500
52070	Food	575	895	400	400	500	400
52090	Wearing Apparel	365	298	500	500	500	500
	Total Supplies	2,976	2,890	3,100	3,100	3,200	3,100
53020	Office Equip Repair	-	-	500	500	300	500
	Total Maintenance & Repairs	-	-	500	500	300	500
54030	Software Costs & IT Support	5,265	12,384	15,600	15,600	15,400	15,600
54050	Insurance - Liab. & Property	364	638	750	750	430	500
54130	Training & Travel	14,716	6,261	6,000	6,000	6,200	6,000
54140	Membership Dues	1,055	1,526	1,300	1,300	1,300	1,500
54230	Legal Services	569	(10)	-	-	-	-
54240	Consulting Services	229,735	96,304	87,000	87,000	59,000	25,000
	Total Contractual	251,704	117,103	110,650	110,650	82,330	48,600
TOTAL PLANNING & DEVELOPMENT DEPT.		513,966	421,615	424,443	424,443	390,965	391,972

MAYOR & CITY COUNCIL DEPARTMENT

The City Council is the legislative body functioning under a Home Rule Charter adopted July 21, 2008. The Mayor is the official head of the City's government and represents Fate on ceremonial occasions. The Mayor is a voting member of the City Council, presides over Council meetings, and represents the Council to the public.

Duties of the City Council also include setting the tax rate, approving the budget, planning for capital improvements, adopting all City ordinances, selecting citizens to serve on boards and commissions, and approving major land transactions, purchases, and contracts.

Mission Statement: To continually improve the quality of life in Fate through effective governance and fiscally resilient delivery of outstanding public services.

Vision Statement: Fate is a vibrant, financially sound, and family-oriented community. The City delivers exceptional services that enhance the quality of life, while fostering a safe atmosphere where citizens and businesses can thrive.

Strategic Priorities:

- Public Safety
- Fiscal Resiliency & Accountability
- Sense of Community
- Sustainable Infrastructure & Services

Personnel:

The City Council is composed of a Mayor and six Council Members elected at large under the Place System.

FY 2023 ACHIEVEMENTS

- * As a leader in Community Safety, the Fate Department of Public Safety created a Fire Captain position, added three (3) patrol personnel, improved fleet with updated vehicles and equipment.
- * Continued Economic Development efforts by recruiting new businesses such as Jersey Mike's, McDonald's, Starbucks, Beer Geeks, maintaining the "Food Haul" food truck court in downtown to grow small businesses, continuing economic development agreements for the construction of two downtown mixed-use buildings, "The Park" and "Fate Place".
- * Improved Community engagement by hosting events such as Celebrate Fate, Christmas Tree Lighting, Community Cleanup and Blood Drive to reinforce a sense of community; implementing "See-Click-Fix" reporting tool online to encourage citizen input; increasing social media posts to educate citizens of our successes, future plans, and joint efforts with our partners.
- * Continued efforts on financial "Strength" by using responsible financial policies, receiving an unmodified audit opinion for the FY 2022 Annual Comprehensive Financial Report, maintaining a "AA" bond rating, and evaluating new development proposals for fiscal sustainability.
- * Continued efforts on recreation by partnering with the YMCA for youth sports programming services, completed Phase 1 construction at Joe Burger Park, completed Phase 1 construction of Fate Station Park, added soccer game fields to Robert Smith Family Park, and completed the Parks Master Plan Update.
- * Continued efforts on the overall quality of the City's transportation system by moving Road Bond Projects from the design phase to the Construction Phase.

FY 2024 INITIATIVES

- * Public Safety
 - ⇒ Recruit and Retain Personnel
 - ⇒ Provide Effective Emergency Response
 - ⇒ Establish Fate Emergency Management Program
 - ⇒ Employ Traffic Calming Strategies
- * Fiscal Resiliency & Accountability
 - ⇒ Assure Appropriate Tax Rate
 - ⇒ Effective Revenue Management
 - ⇒ Ensure Fiscally Productive Development
 - ⇒ Responsible Debt/Expense Management
- * Sense of Community
 - ⇒ Promote Community Awareness through Branding and Marketing
 - ⇒ Utilize the Community Survey
 - ⇒ Build Community Connections and Engagement
 - ⇒ Increase City Messaging Efforts
- * Sustainable Infrastructure & Services
 - ⇒ Adequately Maintain Parks
 - ⇒ Proactively Maintain and Improve Existing and New Infrastructure [Water, Sewer, Stormwater, Roads]
 - ⇒ Enhance Cybersecurity
 - ⇒ Deliver Excellent Customer Service
 - ⇒ Stabilize the Workforce

Expenditures 100-13							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	8,150	8,750	9,600	9,600	9,600	9,600
51140	Worker's Comp. Insurance	73	64	80	80	80	80
	Total Salary & Benefits	8,223	8,814	9,680	9,680	9,680	9,680
52010	Office Supplies	1,236	1,075	1,100	1,100	1,100	1,300
52070	Food	3,928	3,030	3,120	3,120	3,120	3,120
52090	Wearing Apparel	696	501	700	700	700	700
	Total Supplies	5,860	4,606	4,920	4,920	4,920	5,120
54050	Insurance - Liab & Property	65	100	-	-	63	100
54070	Support of Community Services	10,000	7,500	14,000	14,000	14,000	17,000
54075	Support of Community Events	1,750	190	6,500	6,500	6,500	6,500
54076	Support of Fate Senior Program	3,071	2,475	3,000	3,000	3,000	5,000
54120	Public Communications	1,100	-	900	900	900	-
54130	Training & Travel	12,731	18,394	15,000	24,000	26,500	25,000
54140	Membership Dues	50	-	-	-	-	-
	Total Contractual	28,767	28,659	39,400	48,400	50,963	53,600
55600	Contingency	-	-	2,500	2,500	2,500	2,500
	Total Miscellaneous Charges	-	-	2,500	2,500	2,500	2,500
TOTAL MAYOR & COUNCIL DEPT.		42,850	42,079	56,500	65,500	68,063	70,900

ECONOMIC DEVELOPMENT DEPARTMENT

The function of the Economic Development Department is to cultivate localized ecosystems that support and sustain individual wealth. This is accomplished by fostering a self-propelling economy through the creation and implementation of community programming, effective business attraction, expansion, and retention strategies, and thoughtful collaboration with other city departments along with both public and private sector partners.

The Economic Development Department oversees Fate's downtown revitalization program, directs incentives for city-wide commercial development, organizes and informs the local business community, acts as the city liaison for regional, state, and national economic development focused associations, conferences, and other professional activities, and manages commercial leasing for properties owned by the Fate Municipal Development District or City.

The Department's FY24 Priorities are:

- 1) Business Attraction, Expansion, and Retention;
- 2) Entrepreneurial Development;
- 3) Community Placemaking; and
- 4) Branding and Marketing.

Core Values

To foster a community full of unique places and spaces that are family friendly and accessible to all, prioritize effective business development strategies and support efforts to give all residents the opportunity to be prosperous, and cultivate a destination downtown that acts as the hub for residents and visitors alike.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Economic & Community Development Manager	-	1.0	1.0
Economic & Community Development Specialist	1.0	-	-
Economic Development Specialist/Main Street Coordinator	-	1.0	1.0
Total FTE's	1.0	2.0	2.0

FY 2023 ACHIEVEMENTS

- * Organized a Downtown Business Alliance team who meet quarterly to discuss events, construction, beautification, and other business-related activities.
- * Formed a Keep Fate Beautiful volunteer group and became a Keep Texas Beautiful Affiliate receiving a \$1,200 grant for community clean-up supplies.
- * Partnered with FRESH to host a "Go Texan" event to promote and brand products made in Fate by Texans. Two local businesses have become "Go Texas" products.
- * Facilitated improvements to the Food Haul and extended new lease agreements for operators.
- * Supported the 2nd Annual Cinco de Mayo downtown event.
- * Hosted multiple ribbon cuttings for new businesses in Fate (Beer Geeks, McDonalds, Jersey Mike's, Starbucks, Fate Village Dental, etc.)
- * Implemented Fate Educational Workshop Series for local and home-base business owners.
- * Created the first in a series of Business Highlight videos for local businesses.
- * Facilitated the Leasing & Management agreement for 3rd floor of MDD building.

FY 24 INITIATIVES

- * Design, finish out, and lease up the third floor of the MDD building.
- * Support the negotiations and development review efforts of the Yu tract and Hunt properties.
- * Finalize negotiations for the redevelopment of the downtown block at the southwest corner of FM 551 and Fate Main.
- * Complete all current downtown projects and assist in identifying quality users.
- * Create marketing materials to facilitate development and aid brokers and companies looking to locate to Fate.
- * Continue regional partnership for I30 road expansion communication.
- * Create a comprehensive business survey to collect input from local businesses and understand on an ongoing basis the current state of the community and economy in Fate.
- * Send quarterly business newsletters to local businesses.
- * Apply for beautification grants to support downtown enhancements.
- * Develop a “How to Open a Business in Fate” program for prospective business owners. Enlist the assistance of other city departments, both Chambers of Commerce, the Small Business Development Center, and the Texas Small Business Administration.
- * Continue to work with RISD, RCISD, Collin College, and TAMUC to create pathways for student advancement in entrepreneurship for technology, manufacturing, and innovated scientific fields to establish Fate as a regional Technology Hub.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
FISCAL RESILIENCY & ACCOUNTABILITY	Effective Revenue Management	YOY Sales Tax Percentage Increase	34.4%	18.9%	14.0%
	Ensure Fiscally Productive Development	Number of new businesses	11	17	20
SENSE OF COMMUNITY	Promote Community Awareness through Branding & Marketing	# of active business stakeholders receiving the economic development newsletter	15	91	125

Expenditures 100-14							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	-	-	78,844	78,844	89,933	80,057
51020	Operational	62,639	72,691	54,548	54,548	52,289	70,304
51030	Longevity Pay	-	-	110	110	250	-
51040	Employee Merit	200	200	400	400	400	400
51100	FICA	4,807	5,576	10,243	10,243	10,929	11,533
51110	Retirement	6,523	7,514	13,752	13,752	14,668	15,242
51119	HRA Card Expense	4,287	5,144	10,290	10,290	7,824	7,718
51120	Employee Health Care Cost	4,938	6,103	16,046	16,046	13,792	21,211
51121	Dental Insurance	285	362	760	760	610	757
51122	Life & Disability Insurance	308	429	809	809	661	738
51140	Worker's Comp. Insurance	163	109	311	311	272	345
	Total Salary & Benefits	84,150	98,128	186,113	186,113	191,628	208,305
52010	Office Supplies	-	361	250	250	500	5,000
52020	Printing	-	-	144	144	144	144
52030	Office Equip/Furniture/Fixture	6,350	316	-	-	-	-
52070	Food	-	-	-	-	-	250
52090	Wearing Apparel	-	-	-	-	-	250
	Total Supplies	6,350	677	394	394	644	5,644
54010	Communications	-	7,250	-	-	-	-
54030	Software Costs & IT Support	-	-	18,500	18,500	18,500	-
54045	Lease of Real Property	-	-	-	-	-	96,555
54050	Insurance - Liab & Property	-	552	-	-	414	5,000
54075	Support of Community Events	-	1,984	46,000	46,000	25,000	25,000
54120	Public Communications	-	8,598	25,000	25,000	25,000	25,000
54130	Training & Travel	-	3,168	3,925	3,925	6,000	7,000
54140	Membership Dues	-	145	1,305	1,305	1,305	1,500
54165	Contract Services	-	1,200	25,000	25,000	25,000	-
54240	Consulting Services	-	-	10,000	10,000	10,000	35,500
	Total Contractual	-	22,897	129,730	129,730	111,219	195,555
55110	Industry Support	-	15	1,450	1,450	1,450	1,450
55155	Economic Dev Grant Program	-	33,852	52,500	52,500	30,000	25,000
	Total Miscellaneous Charges	-	33,867	53,950	53,950	31,450	26,450
56080	Capital-Parks Construction	-	34,305	-	-	-	-
	Total Capital Outlay	-	34,305	-	-	-	-
TOTAL ECONOMIC DEVELOPMENT DEPT.		90,500	189,874	370,187	370,187	334,941	435,954

FINANCE DEPARTMENT

The Finance department is committed to providing timely, accurate, and complete information to City Council, and supports other City departments, citizens and the community at large while protecting City assets, both real and intangible, and ensuring City's compliance with federal, state and local laws and regulations, and adheres to Generally Accepted Accounting Principles, Governmental Accounting Standards Board, Government Finance Officers Association, and Public Funds Investment Act of Texas.

Core Values

- Manage the City's financial assets and resources in accordance with goals established by City Council and in compliance with applicable laws, principles, rules and regulations promulgated by regulatory agencies of municipal finance.
- Ensure responsiveness through a) integrity; b) consistently accurate information; c) expertise; d) enhancing competency in all City operations; and e) support of collaborative efforts and teamwork.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Director of Finance	1.0	1.0	1.0
Accounting Manager	1.0	1.0	1.0
Accountant	1.0	1.0	1.0
Accounting Specialist	1.0	1.0	1.0
Total FTE's	4.0	4.0	4.0

FY 2023 ACHIEVEMENTS

- * Received Unmodified audit opinion for the FY 2022 Annual Comprehensive Financial Report.
- * Received FY 2021 GFOA Certificate of Achievement for Excellence in Financial Reporting award
- * Submitted the FY 2022 Annual Financial Report for the Certificate of Achievement for Excellence in Financial Reporting from GFOA.
- * Received FY 2023 GFOA Distinguished Budget Award.
- * Received the Certificate of Distinction from the Government Treasurer's Organization of Texas for developing an outstanding comprehensive written Investment Policy.
- * Received Comptrollers' Transparency Award for FY 2022 Traditional Finance.
- * Updated Financial Management and Investment Policies.
- * Conformed to Texas House Bill 1378 in Debt Reporting.
- * Conformed to State Comptroller's Special Purpose District Financial and Tax Reporting.
- * Received \$3.8M Coronavirus Local Fiscal Recovery Fund.
- * Working with City Manager's office to implement the recession plan due to economic slowdown.
- * Issued Special Assessment Revenue Bonds, Series 2022, Williamsburg East Public Improvement East, Area #2 for 16,828,000.
- * Issued Special Assessment Revenue Bonds, Series 2023, Williamsburg East Public Improvement District No. 1, Phase 3B for \$7,329,000.

FY 2024 INITIATIVES

- * Unmodified audit opinion for the FY 2023 Annual Comprehensive Financial Report.
- * GFOA Award for Excellence in Financial Reporting for FY 2022 Annual Comprehensive Financial Report.
- * GFOA Award for Distinguished Budget Presentation for FY 2024.
- * GTOT Certificate of Distinction for Outstanding Comprehensive Written Investment Policy.
- * Comptrollers' Transparency Award for FY 2023 Traditional Finance.
- * Comptrollers' Transparency Award for FY 2023 Debt Reporting.
- * Conform to the Texas House Bill 1378 in Debt Reporting.
- * State Comptroller's Special Purpose District Financial and Tax Reporting.
- * Update Purchasing Policy if necessary.
- * Update Financial Management Policy.
- * Update Investment Policy if necessary.
- * Update Standard Operating Procedures to reflect Incode 10.
- * Request for applications and select a bank for primary depository bank services.
- * Arbitrage review for Williamsburg, District 1, Phases 2B, 2C, 3A1, and Williamsburg East MIA.
- * Hire a new Accountant to replace the Accountant leaving at the end of FY 2023.
- * Reclassify Court Clerk I and Accounting Specialist positions to match job descriptions.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
FISCAL RESILIENCY & ACCOUNTABILITY	Assure appropriate Tax Rate	Lower tax rate compared to other cities in the Dallas Regional Chamber	8th in 95	9th in 95	Lowest 10
		Generate sufficient revenue to fund Operation and Maintenance and Debt Service	Yes	Yes	Yes
		Reasonable tax rate compared to other cities in Rockwall County	Yes	Yes	Yes
	Effective Revenue Management	Establish proper control over all receipts and receivables	100%	100%	100%
		Establish proper revenue estimate from all revenue sources	Yes	Yes	Yes
		Promote transparency and accountability available through transparency portal	Yes	Yes	Yes
	Responsible Debt/ Expense Management	Adopt written debt management policy that reflect applicable federal, state, and local laws and regulations	Yes	Yes	Yes
		Establish proper control over all expenses and payables	Yes	Yes	Yes
		Budgetary control over fund level and line item level	Yes	Yes	Yes

Expenditures 100-15							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	116,434	124,524	131,680	131,680	131,755	142,506
51020	Operational	181,253	199,702	208,641	208,641	208,974	231,281
51030	Longevity Pay	743	983	1,363	1,363	1,363	1,693
51040	Employee Merit	800	800	800	800	800	800
51070	Overtime	546	200	500	500	500	500
51100	FICA	22,830	24,794	26,200	26,200	26,113	28,785
51110	Retirement	31,215	33,625	35,173	35,173	35,224	38,042
51119	HRA Card Expense	19,720	20,578	20,580	20,580	20,580	20,580
51120	Employee Health Care Cost	23,629	26,299	31,032	31,032	30,638	34,311
51121	Dental Insurance	1,309	1,448	1,520	1,520	1,428	1,513
51122	Life & Disability Insurance	1,618	1,749	1,829	1,829	1,675	1,646
51140	Worker's Comp. Insurance	703	583	796	796	703	860
	Total Salary & Benefits	400,800	435,285	460,114	460,114	459,753	502,517
52010	Office Supplies	2,021	2,525	2,750	2,750	2,750	3,025
52011	Postage	525	644	660	660	660	726
52020	Printing	626	483	1,764	1,764	1,764	1,940
52030	Office Equip/Furniture/Fixture	691	10	1,000	1,000	1,000	1,000
52070	Food	75	207	500	500	500	500
52090	Wearing Apparel	-	67	125	125	125	125
52165	COVID-19	892	-	-	-	-	-
	Total Supplies	4,830	3,936	6,799	6,799	6,799	7,316
54030	Software Costs & IT Support	39,236	24,568	39,295	39,295	39,295	43,119
54040	Lease/Rental of Equipment	1,095	1,305	1,601	1,601	1,601	1,645
54050	Insurance - Liab. & Property	685	980	2,000	2,000	644	1,000
54090	Bank Service Charges	920	1,025	2,490	2,490	2,490	2,540
54095	Cred Cd Merchant Fees	-	598	279	279	279	346
54130	Training & Travel	1,577	5,079	7,400	7,400	7,400	8,200
54140	Membership Dues	2,228	2,517	2,680	2,680	2,680	2,420
54150	Property Appraisal	44,904	61,806	64,744	64,744	64,744	73,203
54160	Billing & Collections Services	7,433	9,568	12,560	12,560	12,560	12,560
54165	Contract Services	3,500	-	5,500	5,500	5,500	8,500
54210	Accounting & Auditing	17,975	23,937	24,030	24,030	24,030	25,480
54240	Consulting Services	-	3,000	7,200	7,200	7,200	4,000
	Total Contractual	119,553	134,385	169,779	169,779	168,423	183,013
55210	Disaster Events	491	-	-	-	-	-
	Total Miscellaneous Charges	491	-	-	-	-	-
56023	Building Improvements	-	-	4,000	4,000	4,000	-
	Total Capital Outlay	-	-	4,000	4,000	4,000	-
TOTAL FINANCE DEPT.		525,674	573,606	640,692	640,692	638,975	692,846

INFORMATION TECHNOLOGY DEPARTMENT

The Information Technology department is responsible for evaluating, selecting, installing, and maintaining the hardware and software necessary to provide the information and technology-based services required for city staff to better serve the citizens of Fate.

Core Values

- Mission: Provide and support reliable technologies and services in the most cost effective manner.
- Goal: Support City staff with superior customer service.
- Vision: To be customer-focused, cost effective and an efficient IT operation that is recognized for its effective solutions and responsiveness.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
IT Manager	1.0	1.0	1.0
Helpdesk & System Administrator	1.0	1.0	-
System Administrator II	-	-	1.0
Total FTE's	2.0	2.0	2.0

FY 2023 ACHIEVEMENTS

- * Implemented server replacement for aging inventory at City Hall.
- * Implemented Kiosk Computer Stand for Fate DPS lobby.
- * Rolled out annual cybersecurity training to meet State requirements for HB 3834 + HB 1118.
- * Upgraded cybersecurity solution: for Managed DNS Security Gateway.
- * Added cybersecurity solution: for Managed Network Detection and Response.
- * Added cybersecurity solution: for Multi-Factor Authentication.
- * Added cybersecurity solution: for Mobile Device Management.
- * Added cybersecurity solution: for DDoS Protection.
- * Outsourced Cybersecurity Risk Assessment to help determine gaps in current posture.
- * Maintained and Supported:
 - ⇒ 97 client computers (PC + Laptop + MDT)
 - ⇒ 9 copiers
 - ⇒ 86 wireless carrier devices (Phone + Mi-Fi + Tablet)
 - ⇒ 135 e-mail accounts (FTE + part-time + Officials + Board + Contractors + Shared Accounts)
 - ⇒ 97 end users (FTE + part-time + Officials + P&Z Board + Contractors)
 - ⇒ 39 administered servers (physical & virtual + product host + SaaS)
 - ⇒ 4 security firewalls + 9 managed switches + 6 WAN Connections

FY 2024 INITIATIVES

- * Implement additional managed switch at City Hall.
- * Implement server replacement for aging inventory at City Hall.
- * Implement additional cybersecurity solutions based on risk assessment from FY23
- * Add cloud storage for staff, to replace on-premise storage
- * Replace aging computers that meet EOL according to IT Policy
- * Roll out annual cybersecurity training to meet State requirements for HB 3834 + HB 1118.
- * Maintain and Support:
 - ⇒ 110 client computers (PC + Laptop + MDT)
 - ⇒ 9 copiers
 - ⇒ 95 wireless carrier devices (Phone + Mi-Fi + Tablet)
 - ⇒ 148 e-mail accounts (FTE + part-time + Officials + Board + Contractors + Shared Accounts)
 - ⇒ 110 end users (FTE + part-time + Officials + P&Z Board + Contractors)
 - ⇒ 39 administered servers (physical & virtual + product host + SaaS)
 - ⇒ 4 security firewalls + 9 managed switches + 6 WAN Connections

PERFORMANCE MEASURES					
STRATEGIC PRIORITY	OBJECTIVE	MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	Helpdesk Service Tickets	2,654	2,892	3,000
		Average Helpdesk Handle Time (per ticket in minutes)	54	52	52
	Proactively Maintain and Improve Existing and New Infrastructure	Blocked Intrusions by URL	81,664	11,600	15,000
		Blocked Phishing Emails	283	345	350
		Maintain & Support E-mail Accounts	135	148	148
		Maintain & Support Phones (Desk + Cell devices)	134	148	148
		Maintain & Support Computers	88	110	110
		Maintain & Support Servers + Product Host + Software-as-a-Service (SaaS)	39	45	45
		Maintain & Support WAN connections + Firewalls + Switches	14	17	17
	Enhance Cybersecurity	Conduct Vulnerability Testing, or Conduct Penetration Testing, or Outsource 3rd party Cybersecurity Risk Assessment	Yes	Yes	Yes

Expenditures 100-16							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	89,771	93,131	97,310	97,310	97,366	105,311
51020	Operational	55,650	64,310	67,204	67,204	67,243	76,370
51030	Longevity Pay	240	330	535	535	535	685
51040	Employee Merit	400	400	400	400	400	400
51100	FICA	10,382	11,332	12,657	12,657	12,171	13,982
51110	Retirement	15,206	16,304	16,992	16,992	17,003	18,478
51119	HRA Card Expense	9,860	10,289	10,290	10,290	10,290	10,290
51120	Employee Health Care Cost	14,823	15,777	18,617	18,617	18,380	21,211
51121	Dental Insurance	626	724	760	760	714	757
51122	Life & Disability Insurance	796	919	969	969	875	863
51140	Worker's Comp. Insurance	356	264	384	384	338	417
	Total Salary & Benefits	198,110	213,780	226,118	226,118	225,315	248,764
52010	Office Supplies	909	480	700	700	700	700
52031	IT Equipment	7,374	6,959	4,791	4,791	4,791	3,500
52165	COVID-19	2,599	-	-	-	-	-
52205	Computer Equipment 05	13,768	-	-	-	-	-
52210	Computer Equipment 10	-	2,177	3,000	3,000	3,000	-
52212	Computer Equipment 12	20,952	-	6,615	6,615	6,615	-
52214	Computer Equipment 14	2,225	-	3,000	3,000	3,000	-
52215	Computer Equipment 15	4,517	1,923	-	-	-	-
52216	Computer Equipment 16	416	-	-	-	-	-
52218	Computer Equipment 18	2,225	-	-	-	-	-
52220	Computer Equipment 20	2,264	1,923	-	-	-	-
52225	Computer Equipment 25	-	2,086	-	-	-	-
52230	Computer Equipment 30	-	5,302	-	-	-	-
52235	Computer Equipment 35	-	-	3,000	3,000	3,000	55,145
52240	Computer Equipment 40	4,667	6,962	30,635	30,635	30,635	-
52250	Computer Equipment 50	-	5,768	11,755	11,755	11,755	-
	Total Supplies	61,916	33,580	63,496	63,496	63,496	59,345
54010	Communications	57,273	63,758	75,381	75,381	75,381	78,081
54030	Software Costs & IT Support	63,588	65,859	111,428	111,428	111,428	157,125
54040	Lease/Rental of Equipment	8,100	3,662	9,730	9,730	9,730	9,730
54050	Insurance - Liab. & Property	411	751	751	751	580	700
54130	Training & Travel	4,756	7,168	9,364	9,364	9,364	9,629
54140	Membership Dues	-	350	185	185	185	200
54165	Contractual Services	9,429	21,924	67,501	67,501	67,501	29,524
54240	Consulting Services	24,347	34,627	66,000	66,000	66,000	114,000
	Total Contractual	167,904	198,099	340,340	340,340	340,169	398,989
55210	Disaster Events	1,027	-	-	-	-	-
	Total Miscellaneous Charges	1,027	-	-	-	-	-
56040	Capital-Machinery & Equipment	-	-	11,000	11,000	11,000	21,000
56140	Capital-Computer Equip 40	-	-	-	-	-	-
	Total Capital Outlay	-	-	11,000	11,000	11,000	21,000
TOTAL INFORMATION TECHNOLOGY DEPT.		428,957	445,458	640,954	640,954	639,980	728,098

HUMAN RESOURCES DEPARTMENT

The Human Resources department oversees the employment operations of the City in an effort to maximize both individual needs and organizational objectives. This goal is accomplished through the implementation and maintenance of fair and equitable employment policies, effective selection procedures, and an open-door approach for communication, as well as accurate personnel record systems. This department is responsible for the recruitment and screening of City employment applicants, pay plan administration, benefits administration, policy development and implementation, legal compliance, performance management, employee relations and employee training and development.

Core Values

- Deliver services with exceptional customer service and treat all employees with dignity and respect.
- Develop our employees at all levels of the municipality.
- Promote accountability, transparency, and quality in all services we deliver.
- Initiate and maintain a culture of loyalty and learning.
- Work collaboratively with other departments and build relationships that maximize employee services throughout the organization.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Human Resources Director	-	0.6	0.6
Human Resources Specialist	-	0.8	0.8
Total FTE's	-	1.4	1.4

FY 2023 ACHIEVEMENTS

- * Updated Public Safety compensation market data and incorporated into current pay plan to remain competitive in a difficult labor market.
- * Completed review of updated Personnel Policies and Procedures and completed employee distribution.
- * Conducted a successful executive recruitment for the Assistant City Manager position.

FY 2024 INITIATIVES

- * Conduct a training needs assessment and develop training tracks for employee groups and/or departments based on assessment results.
- * Develop a new performance appraisal process that incorporates the core organizational values.

PERFORMANCE MEASURES					
STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
PUBLIC SAFETY	Recruit & Retain Personnel	Number of Public Safety applications processed and referred by the HR Department to DPS Department	37	87	50
		DPS Turnover Rate	3.00%	6.00%	3.00%
SUSTAINABLE INFRASTRUCTURE & SERVICES	Stabilize the Workforce	Turnover Rate	14.10%	16.00%	0
		New Employees completing probation period	88.00%	85.00%	90.00%

Expenditures 100-18							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	-	-	-	-	-	72,072
51020	Operational	-	-	-	-	-	61,152
51040	Employee Merit	-	-	-	-	-	400
51100	FICA	-	-	-	-	-	10,222
51110	Retirement	-	-	-	-	-	13,509
51119	HRA Card Expense	-	-	-	-	-	5,145
51120	Employee Health Care Cost	-	-	-	-	-	19,996
51121	Dental Insurance	-	-	-	-	-	757
51122	Life & Disability Insurance	-	-	-	-	-	1,092
51140	Worker's Comp. Insurance	-	-	-	-	-	306
51160	Employment Advertising	-	1,014	2,500	2,500	2,500	-
	Total Salary & Benefits	-	1,014	2,500	2,500	2,500	184,651
52010	Office Supplies	304	560	500	500	500	500
52011	Postage	36	-	50	50	50	50
52020	Printing	-	-	50	50	50	50
52070	Food	3,361	827	1,250	1,250	1,550	1,550
52145	HR supplies	2,421	2,299	4,075	4,075	5,075	-
52160	Miscellaneous Supplies	-	20	-	-	-	-
52170	Employee Appreciation	-	-	-	-	-	10,575
	Total Supplies	6,122	3,705	5,925	5,925	7,225	12,725
54030	Software Costs & IT Support	8,027	8,204	8,204	8,204	8,204	8,204
54050	Insurance - Liab. & Property	304	29	300	300	19	50
54085	Recruitment Cost	-	-	-	-	-	7,600
54130	Training & Travel	179	-	5,000	5,000	5,000	25,750
54160	Billing & Collection	-	20	-	-	-	-
54165	Contract Services	136,926	137,264	157,450	157,450	155,000	850
54240	Consulting Services	8,117	10,721	-	-	-	-
	Total Contractual	153,553	156,238	170,954	170,954	168,223	42,454
TOTAL HUMAN RESOURCES DEPT.		159,675	160,958	179,379	179,379	177,948	239,830

CITY SECRETARY DEPARTMENT

The City Secretary is an officer of the City of Fate. The position is a statutory position required by State law and the City Charter. In addition to statutory duties, the City Secretary is dedicated to recording, preserving and providing custody over the official records and legislative acts of the City Council actions; coordinating all City-held elections; coordinating the City's Boards and Commissions process; providing for timely updates to the City's Code of Ordinances; meeting the informational needs of Fate citizens and City staff by retrieving and distributing data and documents; assisting departments in evaluation of documents for compliance with approved retention schedules and state-mandated laws; processing alcohol permits; and improving relationships with other entities.

Core Values:

To support, facilitate and strengthen the City of Fate government process by:

- Assisting the City Council in fulfilling its duties and responsibilities.
- Improving public access to municipal records and other information and oversee the Public Information process in accordance with state law.
- Enhancing public participation in municipal government processes.
- Safeguarding the municipal elections and records management processes.
- Providing for continuity for Fate City government by recording its legislative process.
- Providing daily professional, friendly and prompt assistance to all administrative departments of the City.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
City Secretary	1.0	1.0	1.0
Deputy City Secretary	1.0	1.0	1.0
Total FTE's	2.0	2.0	2.0

FY 2023 ACHIEVEMENTS

- * Received the Municipal Clerk's Office Achievement of Excellence Award from the Texas Municipal Clerk's Association in recognition of effective and efficient management of resources in the City Secretary's Office.
- * Continued mentoring the Deputy City Secretary to further bolster the City Secretary's Office level of service to the Citizens of Fate, City Council, and all departments of the City.
- * The Deputy City Secretary continued professional development by continuing to pursue Certification in the Texas Municipal Clerk's Certification Program. The Program aims to provide the knowledge and methods necessary to execute the duties of office, as well as develop familiarity with the theory and practices of local government.
- * Improved records management by increasing awareness around the City's Records Management Program.
- * Continued providing outstanding customer service in an open and transparent manner and improved efficiency in handling of Public Information Requests for both City records and Fate DPS records with the continued use of GovQA Open Records Management Software.
- * Continued the use of CivicPlus agenda management software maximizing the effectiveness of Council meetings and continuing open communication and transparency to the public.

FY 2024 INITIATIVES

- * Continue the Texas Municipal Clerk's Certification and Recertification Programs for continued professional development.
- * Continue mentoring the Deputy City Secretary to further bolster the City Secretary's Office level of service to the Citizens of Fate, City Council, and all departments of the City.
- * Continue enhancement and improvement in the City's Records Management Program by reviewing the Records Management Plan for areas to improve efficiency in recordkeeping and reduce costs.
- * Continue providing outstanding customer service in an open and transparent manner and efficient handling of Public Information Requests ensuring access to information maintained by the City.

PERFORMANCE MEASURES					
STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SENSE OF COMMUNITY	Build Community Connections & Engagement	Percentage of Open Records Requests responded within 10 business days	100%	100%	100%
		Percentage of City Council agenda packets distributed at least 4 days prior to meeting	100.0%	100.0%	100.0%
		Percentage of approved Council meeting minutes posted to the website within 4 days of approval	100.0%	100.0%	100.0%
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	Percentage of Council Meeting agendas posted without amendment	100.0%	94.0%	100.0%
		Percentage of Council Meeting minutes adopted without correction	100.0%	100.0%	100.0%
		Percentage of board and commission members that have completed Texas Open Meeting Act Training	89.0%	100.0%	100.0%

Expenditures 100-20							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	92,969	98,781	100,230	100,230	100,286	111,724
51020	Operational	-	40,776	53,674	53,674	55,315	59,829
51030	Longevity Pay	533	623	713	713	713	915
51040	Employee Merit	200	200	400	400	400	400
51100	FICA	7,163	10,734	11,859	11,859	11,989	13,224
51110	Retirement	9,766	14,471	15,920	15,920	16,096	17,477
51119	HRA Card Expense	5,144	8,999	10,290	10,290	10,290	10,290
51120	Employee Health Care Cost	5,925	11,724	16,046	16,046	18,380	17,848
51121	Dental Insurance	342	633	760	760	714	757
51122	Life & Disability Insurance	502	787	909	909	837	824
51140	Worker's Comp. Insurance	221	285	360	360	293	396
	Total Salary & Benefits	122,765	188,013	211,161	211,161	215,313	233,684
52010	Office Supplies	829	1,800	1,880	1,880	2,080	2,500
52011	Postage	80	13	120	120	120	120
	Total Supplies	909	1,813	2,000	2,000	2,200	2,620
54030	Software Costs & IT Support	20,634	21,972	20,109	20,109	23,681	50,000
54050	Insurance - Liab. & Property	309	410	-	-	365	400
54080	Election Costs	35,545	-	34,000	25,000	25,000	45,000
54110	Legal Advertising	16,539	13,352	15,000	15,000	15,000	15,000
54130	Training & Travel	2,282	7,458	6,300	6,300	6,300	6,800
54140	Membership Dues	324	285	425	425	425	425
54155	Recording Fees	-	-	4,000	4,000	4,000	5,000
54230	Legal Services	608	1	-	-	-	-
54240	Consulting Services	4,982	8,292	13,660	13,660	19,560	18,000
	Total Contractual	81,223	51,768	93,494	84,494	94,331	140,625
TOTAL CITY SECRETARY DEPT.		204,897	241,594	306,655	297,655	311,844	376,929

CITY ATTORNEY DEPARTMENT

The City Attorney is the chief legal officer for the entire municipal corporation. The City Attorney's Office is obligated to represent and seek the good of the city government, not necessarily the interest of any particular official or department. The mission of the City Attorney's Office is to provide outstanding professional legal services to assist the City in achieving its core values, which include:

- **Integrity:** Making sure that with every decision we make, our actions match our values.
- **Fiscal Responsibility:** Ensuring that the people can trust that we use public funds conscientiously, with the community's best interest in mind.
- **Inclusion:** Creating a culture where all people feel a sense of belonging and support by respecting and valuing each other and our differences.
- **Transparency:** Building an environment of trust by interacting with others honestly as well as collecting and sharing clear and concise information.
- **Outstanding Customer Service:** Employing a holistic approach to problem solving and providing responsive service that goes above and beyond expectations.

Strategic Approach

Represent the City of Fate, its employees, and officials when they are sued in their official capacity, in all venues, including State and Federal court, or regulatory agencies. Represent the State of Texas in Municipal Court through the Legal department's prosecutors. Conduct negotiations of various kinds.

Offer legal advice and counsel to the City Council, departments, and officials regarding the legal aspects of city government: Human Resources, Public Safety, Animal Control, Purchasing, Planning, Economic Development, Public Works, Building Safety, Finance, Housing, Utilities, Parks, and all others.

Prepare or review all kinds of legal documents (such as ordinances, contracts, and deeds) necessary for city government to accomplish its varied functions.

Provide legal services and support to closely affiliated agencies such as the Fate Municipal Development District and Public Facilities Corporation. Also provide information to citizens and the news media.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
City Attorney	1.0	1.0	1.0
Total FTE's	1.0	1.0	1.0

FY 2023 ACHIEVEMENTS

* Major Transactions

- Assisted the City in acquiring the necessary right-of-way for the Riding Club realignment and Gettysburg Blvd extension projects.
- Negotiated several interim use agreements, economic incentive agreements and development agreements for several development projects including a downtown mixed-use development.
- Managed outside counsel for applications to the Public Utilities Commission for the transfer of water service area to the City of Fate.

* Major Ordinances

- Initiated annexations for future development including new Rockwall ISD projects.
- Updated school zone speed limits for all school properties within the City of Fate.
- Adopted ordinance for exclusivity of emergency and non-emergency ambulance transportation services in the City.

In the Community

- * Continue to be innovative in the work we do:
 - Economic Development
 - Real Property Matters
 - Downtown Visioning Planning
- * Identify and target community needs, then find creative solutions
 - Foreclosed and abandoned properties
 - Nuisances
 - Blight
 - Code Violations

In City Hall

- * Review current ordinances and identify necessary updates
- * Review legislative updates providing appropriate counsel to the City regarding same
- * Enhance opportunities for our citizens to serve on boards and commissions and receive the appropriate training associated with each board or commission
- * Develop new approaches to keep the City Council informed about disputes and cases
- * Seek a speedy resolution to pending litigation

In the City Attorney's Office

- * Develop systems to proactively identify and manage statutory and regulatory issues before becoming problems.
- * Develop and implement increased standardization of City Attorney Office services and work product to improve quality and efficiency.
- * Review the City Attorney's Office staffing levels to add additional support to City departments and the Municipal Development District for the City.
- * Evaluate the need and benefit of a municipal court prosecutor to assist my office and identify an appropriate work status, i.e., full-time or part-time employee or hourly contractor
- * Continue to look at ways to minimize litigation costs by:
 - Early examination of disputes to determine where settlement could reduce costs and payouts
 - Examining the use of outside counsel

Expenditures 100-25							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	-	149,490	194,250	194,250	188,699	210,220
51030	Longevity Pay	-	-	-	-	-	105
51040	Employee Merit	-	-	200	200	200	200
51100	FICA	-	11,147	14,875	14,875	12,092	16,105
51110	Retirement	-	15,412	19,970	19,970	19,401	21,284
51119	HRA Card Expense	-	3,825	5,145	5,145	5,145	5,145
51120	Employee Health Care Cost	-	7,255	11,415	11,415	11,270	13,361
51121	Dental Insurance	-	271	380	380	357	378
51122	Life & Disability Insurance	-	427	572	572	548	546
51140	Worker's Comp. Insurance	-	-	451	451	693	481
	Total Salary & Benefits	-	187,829	247,258	247,258	238,405	267,825
52010	Office Supplies	-	1,307	1,000	1,000	500	1,000
52011	Postage	-	-	500	500	500	500
52090	Wearing Apparel	-	-	300	300	300	300
	Total Supplies	-	1,307	1,800	1,800	1,300	1,800
54130	Training & Travel	-	1,770	5,000	5,000	5,000	5,000
54140	Membership Dues	-	2,257	3,500	3,500	3,500	3,675
54230	Legal Services	-	77,996	31,000	31,000	31,000	49,000
	Total Contractual	-	82,023	39,500	39,500	39,500	57,675
TOTAL CITY ATTORNEY DEPT.		-	271,159	288,558	288,558	279,205	327,300

MUNICIPAL COURT DEPARTMENT

The mission of the Municipal Court is to provide a forum for justice that ensures all citizens served by the City of Fate Municipal Court of Record are treated fairly and equally, while following the guidelines provided for due process of law.

Core Values:

- Provide strategic and operational direction for the Municipal Court to ensure access to justice and timelines in case processing.
- Account accurately and fully for all court receipts and financial transactions.
- Uphold federal, state, and local laws.
- Act honestly, truthfully above reproach, and treat all stakeholders equitably, fairly, and neutrally.
- Protect confidential information, never use it for personal advantage or disclose said information, except as prescribed by law.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Court Administrator	1.0	1.0	1.0
Deputy Court Clerk	1.0	1.0	-
Senior Court Clerk	-	-	1.0
Total FTE's	2.0	2.0	2.0

FY 2023 ACHIEVEMENTS

- * Completed all state-required, annual training in-person and virtually to receive all necessary Court Legal Education credit hours and state certifications; to maintain a culture of accountability that results in reduced risk and improved morale.
- * Participated in the 2023 Texas Warrant Round Up/Case Resolution program with our third-party collection agency.
- * Implementation of active/adopted offense codes and ordinance descriptions for citation issuance from Fate Police Department, Code Enforcement and Fire Marshal's Office.
- * Achieved certificate from Texas Municipal Court Education Center Municipal Court Week and National Night Out for 2022 to provide continuation of community outreach.
- * Continued streamline of workflows for citation upload and audit through usage of shared drive between Municipal Court and Fate PD Records division.
- * Updated and amended citation books to concur with the 87th Legislative updates. Also, created a citation log for Fate PD, for court to maintain and keep record of citation books issued.

FY 2024 INITIATIVES

- * To engage in the interest of Scofflaw/Vehicle Registration Denial Program, and citation kiosk software programs to ensure accurate and efficient ways to justice.
- * Apply for eligible municipality grants for traffic safety or child safety programs through Texas Municipal League
- * Reclassify the Deputy Court Clerk position to Senior Court Clerk to provide administrative duties in support of the municipal court which includes case processing, maintenance of legal documents, preparation of correspondence and statistics.
- * Continue to modernize court with innovations in technology and updates in the use of virtual hearings, video conferencing and digital document automations; to improve access to justice for litigants and attorneys to avoid delays in hearings, failed in-person appearances and case delays.

PERFORMANCE MEASURES					
STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SUSTAINABLE INFRASTRUCTURE & SERVICES	Proactively Maintain and Improve Existing and New Infrastructure	Successful Disposition of Cases-Deferred & DSC	90	95	97
		Collected from all fines and court costs assessed on Class C misdemeanors and ordinance violations.	92	90	95
	Deliver Excellent Customer Service	Access to Justice by ensuring that the structure of in-person and virtual options of the courts are accessible to the community	98	98	100
	Stabilize the Workforce	100% Report rating established by Office of Court Administration and Texas Department of Public Safety	97	99	100

Expenditures 100-30							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	57,850	61,169	64,684	64,684	64,722	70,002
51020	Operational	37,509	40,107	44,290	44,290	42,085	50,965
51030	Longevity Pay	460	610	760	760	755	930
51040	Employee Merit	400	400	400	400	400	400
51070	Overtime	1,140	1,050	1,200	1,200	1,200	1,200
51100	FICA	7,080	7,858	8,425	8,425	8,286	9,356
51110	Retirement	10,148	10,652	11,311	11,311	11,216	12,364
51119	HRA Card Expense	9,898	10,259	10,290	10,290	10,290	10,290
51120	Employee Health Care Cost	14,701	14,143	16,046	16,046	15,842	17,848
51121	Dental Insurance	683	724	760	760	714	757
51122	Life & Disability Insurance	569	626	683	683	594	568
51140	Worker's Comp. Insurance	206	193	256	256	229	279
	Total Salary & Benefits	140,644	147,790	159,105	159,105	156,333	174,959
52010	Office Supplies	1,454	1,913	1,500	1,500	1,500	1,500
52011	Postage	1,057	1,730	1,200	1,200	1,200	1,236
52020	Printing	-	755	800	800	400	824
52030	Office Equip/Furniture/Fixture	251	-	-	-	-	-
52070	Food	76	64	100	100	100	110
52090	Wearing Apparel	130	141	300	300	300	300
52165	COVID-19	40	-	-	-	-	-
	Total Supplies	3,008	4,604	3,900	3,900	3,500	3,970
54030	Software Costs & IT Support	9,243	1,999	3,559	3,559	3,600	6,135
54050	Insurance - Liab. & Property	334	338	350	350	230	250
54095	Credit Cd Merchant Fees	5,404	8,266	5,484	5,484	8,500	8,600
54130	Training & Travel	330	1,378	1,800	1,800	1,800	1,890
54140	Membership Dues	149	279	270	270	270	284
54165	Contract Services	21,964	23,149	24,049	24,049	24,049	25,732
54210	Accounting & Auditing	3,595	4,767	4,810	4,810	4,810	5,100
54230	Legal Services	27,165	-	-	-	-	-
	Total Contractual	68,184	40,177	40,322	40,322	43,259	47,991
TOTAL MUNICIPAL COURT DEPT.		211,836	192,571	203,327	203,327	203,092	226,920

DEPARTMENT OF PUBLIC SAFETY (DPS)

The dedicated members of the Fate Department of Public Safety provide a quality service of protection to our community every day. We enjoy a great relationship with our citizens and are proud to be a part of this community. Our “public safety” model is divided into two Branches: Law Enforcement and Fire Service. The Fire Service Branch responds to approximately 1,700 calls per year, including medical first response. Our personnel provide fire prevention activities, fire suppression in all forms, and medical first response to compliment the County ambulance service. The Law Enforcement Branch manages approximately 15,000 service incidents, including traffic stops annually. Officers provide for the safety and security for our community through neighborhood patrols, traffic enforcement, drug interdiction, and response to all many types of calls for service. Every day our personnel accept the challenge of being highly trained and professional in their duties to serve our citizens.

Core Values:

- The mission of the Fate Department of Public Safety is to effectively and efficiently provide for the protection of lives and property, preserve the public peace, and provide needed community services with the highest level of professionalism and ethical standards.

PERFORMANCE MEASURES (DPS)					
STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
PUBLIC SAFETY	Provide Effective Management Response	Citizen Survey Results in how safe people feel at home.	97	97	99
		Citizen Survey Results in how safe people feel in public.	94	87	94
		Rating of crime prevention services provided to the public.	84	77	85
		Citizen survey results of feeling safe in relation to fire risk	91	84	95
		Effective and efficient fire & Rescue services.	91	88	95
		Conviction rate from cases submitted for prosecution.	N/A	78	80
	Establish Emergency Management Plan	Citizen Survey results of Emergency Preparedness	66	55	70
	Employ Traffic Calming Strategies	Citizen Survey results on Traffic Enforcement	67	58	75
		Traffic Stops	6240	6300	6500
		Citations Issued	604	1000	1500
		Track crash data. Number of annual crash reports.	509	480	400
FISCAL RESILIENCY & ACCOUNTABILITY	Effective Revenue Management	**Operating and Maintenance cost of DPS per capita	\$168	\$207	\$235
SENSE OF COMMUNITY	Community Engagement	Rate the effectiveness and efficiency of the police services.	90	83	90

FIRE DEPARTMENT | 100-35

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Captain	-	1.0	1.0
Fire Marshal	1.0	1.0	1.0
Firefighter Engineer	3.0	3.0	3.0
Total FTE's	4.0	5.0	5.0

FY 2023 ACHIEVEMENTS

- * Added a Captain position to divide police and fire daily operations.
- * Added a vehicle for Captain position – Command Functions.
- * Replace 1000' of fire hose.
- * Received off-road firefighting unit (previous budget year).
- * Continued the Fire Prevention Inspection and Plan Review program of commercial business
- * Trained two personnel as Firefighters to be full Public Safety Officer rating.
- * Trained three personnel as Emergency Medical Technicians.
- * Rotate 4 sets of firefighter protective clothing.
- * Continued the fleet inspection and maintenance program of fire apparatus.

FY 2024 INITIATIVES

- * Implement Lexipol Fire Division Policies
- * Replace one set of Vehicle Rescue Tools.
- * Purchase Rescue Struts.
- * Remodel southside building to occupy as a public safety satellite facility.
- * Purchase >3.5 acre tract for future public safety facility.
- * Purchase Aerial Apparatus – to replace an existing apparatus.

Expenditures 100-35							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51020	Operational	-	142,613	368,084	368,084	311,455	446,315
51030	Longevity Pay	-	-	630	630	450	1,463
51040	Employee Merit	-	-	800	800	950	1,000
51050	Part-time	-	33,332	30,000	30,000	30,000	45,000
51070	Overtime	-	13,369	10,000	10,000	10,000	15,000
51100	FICA	-	14,860	31,328	31,328	28,174	38,922
51110	Retirement	-	17,108	42,057	42,057	36,300	51,437
51119	HRA Card Expense	-	12,163	24,010	24,010	22,519	25,725
51120	Employee Health Care Cost	-	18,922	49,721	49,721	43,963	58,694
51121	Dental Insurance	-	859	1,805	1,805	1,561	1,891
51122	Life & Disability Insurance	-	815	2,184	2,184	1,650	1,838
51140	Worker's Comp. Insurance	-	7,897	11,327	11,327	9,806	16,302
	Total Salary & Benefits	-	261,937	571,946	571,946	496,828	703,587
52050	Motor Vehicle Fuel	-	12,741	9,000	9,000	11,500	15,000
52060	Minor Tools & Equipment	-	12,128	30,000	55,000	30,000	50,000
52080	Medical Supplies & Equipment	-	1,227	6,000	6,000	6,000	8,000
52090	Wearing Apparel	-	5,683	4,000	4,000	4,000	7,000
52095	Fire Protective Gear	-	3,192	37,099	37,099	39,099	48,099
52155	Fire Marshal Expenses	-	522	500	500	500	500
	Total Supplies	-	35,493	86,599	111,599	91,099	128,599
53040	M/R Motor Vehicles	-	32,938	28,000	28,000	28,000	28,000
	Total Maintenance & Repairs	-	32,938	28,000	28,000	28,000	28,000
54010	Communications	-	-	2,000	2,000	2,000	2,000
54030	Software Costs & IT Support	-	1,117	5,500	5,500	5,500	35,500
54050	Insurance - Liab. & Property	-	4,151	-	-	6,667	7,500
54125	Fire Prevention & Education	-	-	1,000	1,000	1,000	1,000
54130	Training & Travel	-	17,156	19,000	19,000	19,000	19,000
54165	Contract Services	-	-	5,000	5,000	5,000	10,000
	Total Contractual	-	22,423	32,500	32,500	39,167	75,000
56040	Capital-Machinery & Equip	-	-	6,000	-	6,000	48,000
	Total Capital Outlay	-	-	6,000	-	6,000	48,000
TOTAL FIRE DEPT.		-	352,792	725,045	744,045	661,094	983,186

POLICE DEPARTMENT | 100-40

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Director of Public Safety	1.0	1.0	1.0
Public Safety Captain	1.0	1.0	1.0
Public Safety Lieutenant	5.0	5.0	5.0
Public Safety Detective	2.0	2.0	2.0
Public Safety Officer	12.0	16.0	16.0
School Resource Officer	2.0	3.0	3.0
Traffic Officers	-	-	2.0
Administrative Assistant	1.0	1.0	1.0
Evidence Records Technician	1.0	1.0	1.0
Total FTE's	25.0	30.0	32.0

FY 2023 ACHIEVEMENTS

- * Implemented Lexipol Police Policies.
- * Replaced video evidence system (Body & Dash cams).
- * Added four patrol PSO positions.
- * Provided payroll deduction for personal purchase of patrol rifles.
- * Rotate three Enterprise lease vehicles (2 CID, 1 patrol).
- * Replace two patrol units.
- * Added two growth vehicles (1 patrol, 1 SRO).

FY 2024 INITIATIVES

- * Add two Traffic Officers
- * Add "Less Lethal" shotguns (bean bag/pepper ball).
- * Add two growth vehicles for patrol.
- * Rotate three lease vehicles (2 SRO, K9).
- * Add another Automatic License Plate Reader.

Expenditures 100-40 (Police - continued)							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	133,569	140,366	146,672	146,672	146,756	162,331
51020	Operational	1,551,919	1,619,872	2,024,686	2,024,686	1,883,240	2,494,635
51030	Longevity Pay	3,593	4,903	5,663	5,663	5,988	7,120
51040	Employee Merit	4,470	4,780	5,600	5,600	5,000	6,000
51050	Part-time	49,490	954	35,000	20,000	20,000	15,000
51070	Overtime	112,142	114,760	140,000	140,000	140,000	140,000
51100	FICA	136,777	140,147	180,358	180,358	165,389	216,119
51110	Retirement	188,094	194,265	242,128	242,128	224,772	285,616
51119	HRA Card Expense	117,212	119,296	149,206	149,206	138,777	162,068
51120	Employee Health Care Cost	179,181	184,132	271,228	271,228	238,195	320,220
51121	Dental Insurance	7,855	8,384	11,084	11,084	9,681	11,916
51122	Life & Disability Insurance	9,062	9,733	12,678	12,678	10,708	11,935
51140	Worker's Comp. Insurance	36,398	42,526	57,056	57,056	56,669	81,166
51150	Unemployment	3,856	-	-	-	-	-
	Total Salary & Benefits	2,533,618	2,584,118	3,281,359	3,266,359	3,045,175	3,914,126
52010	Office Supplies	1,161	1,094	2,000	2,000	1,500	2,000
52011	Postage	127	242	400	400	200	400
52020	Printing	-	182	200	200	200	500
52030	Office Equip/Furniture/Fixture	1,100	-	-	-	-	2,000
52050	Motor Vehicle Fuel	55,285	85,674	112,000	92,000	92,000	110,000
52060	Minor Tools & Equipment	8,245	13,982	19,488	22,155	19,488	33,488
52061	K9 Maintenance/Equipment	1,786	3,132	8,500	8,500	5,500	9,000
52070	Food	665	794	1,000	1,000	1,000	1,250
52080	Medical Supplies & Equipment	-	223	-	-	-	2,000
52090	Wearing Apparel	19,306	19,413	30,500	30,500	30,500	46,500
52095	Fire Protective Gear	10,862	-	-	-	-	-
52150	Public Safety Supplies	53,007	71,937	62,600	47,600	47,600	48,100
52165	COVID-19	504	-	-	-	-	-
	Total Supplies	152,048	196,672	236,688	204,355	197,988	255,238
53010	M/R Buildings/Structures	13,490	-	-	-	-	-
53020	Office Equip Repair	-	-	3,000	1,079	1,500	-
53040	M/R Motor Vehicles	56,069	45,535	30,000	30,000	38,000	40,000
53050	M/R Equipment/Machinery	2,250	-	-	-	-	-
	Total Maintenance & Repairs	71,809	45,535	33,000	31,079	39,500	40,000
54010	Communications	6,134	11,888	25,000	20,000	25,000	40,000
54020	Electricity	9,875	9,307	16,000	16,000	16,000	16,000
54021	Natural Gas	2,276	3,184	5,000	5,000	5,000	5,000
54022	Water & Sewer Service	5,845	6,937	6,400	6,400	6,800	7,000
54030	Software Costs & IT Support	19,311	23,859	36,600	78,904	78,904	102,600
54040	Lease/Rental of Equipment	194	-	2,500	2,500	1,000	2,500
54041	Vehicle Lease Payments	82,616	132,359	280,293	280,293	222,984	317,310
54050	Insurance - Liab. & Property	34,334	31,752	37,351	37,351	31,920	35,000
54075	Support of Community Events	103	1,260	1,200	1,200	1,400	3,200
54120	Public Communications	11,483	-	-	-	-	-
54130	Training & Travel	32,720	19,534	66,000	66,000	66,000	74,000
54140	Membership Dues	3,561	3,302	3,500	3,500	3,500	3,500
54165	Contract Services	69,395	76,383	61,000	61,000	61,000	54,000
54170	Dispatching Services	331,777	250,000	306,500	306,500	306,500	350,000
54180	Criminal Investigation Services	-	470	2,000	2,000	2,000	4,000
54185	EMS Services	22,077	26,442	40,524	40,524	40,524	40,524

Expenditures 100-40 (Police—continued)							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
54200	Lab Services	2,607	2,698	2,000	2,000	2,000	2,000
54205	Property Room Management	123	138	2,500	2,500	2,500	2,500
54240	Consulting Services	-	6,950	14,000	6,950	6,950	14,000
54250	Miscellaneous Services	1,000	316	-	-	-	-
	Total Contractual	635,431	606,778	908,368	938,622	879,982	1,073,134
55210	Disaster Events	6,099	-	-	-	-	-
	Total Miscellaneous Charges	6,099	-	-	-	-	-
56040	Capital Purchase Mach & Equip	-	16,565	-	-	-	-
	Total Capital Outlay	-	16,565	-	-	-	-
TOTAL POLICE DEPT.		3,399,005	3,449,668	4,459,415	4,440,415	4,162,645	5,282,498

DPS TOTAL EXPENDITURES						
	2021	2022	2023			2024
	Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
Total Fire	-	352,792	725,045	744,045	661,094	983,186
Total Police	3,399,005	3,449,668	4,459,415	4,440,415	4,162,645	5,282,498
TOTAL PUBLIC SAFETY DEPT.	3,399,005	3,802,460	5,184,460	5,184,460	4,823,739	6,265,684

ANIMAL CARE DEPARTMENT

The Animal Care Services Department is committed to partner with Fate's citizens, veterinarians, and animal welfare organizations to promote responsible pet ownership and to provide superior animal health and welfare and human health protection services.

Core Values

- Serve the community with excellent customer service and compassion for all animals.

Personnel

- The Animal Care Department does not currently fund personnel. Services are provided by an outside contractor.

FY 2023 ACHIEVEMENTS

- * Retained consultant services who provide the full gamut of animal control services.
- * Provided evening and weekend full-service animal control services through our existing consultant contract services.
- * Participated in several one-on-one meetings with citizens and contractor partnership.
- * Assisted in filing cases on animal cruelty.

FY 2024 INITIATIVES

- * Increase adoption rate.
- * Conduct community awareness campaigns for animal safety.
- * Conduct campaigns to reduce incidents of stray animals.
- * Increase higher percentage of returning animals to owners.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	Strive to maintain excellent customer service to all interactions with public.	yes	yes	yes

Expenditures 100-42

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
54050	Insurance - Liab. & Property	-	293	261	261	-	-
54165	Contract Services	155,215	152,090	172,090	172,090	172,090	186,167
	Total Contractual	155,215	152,383	172,351	172,351	172,090	186,167
TOTAL ANIMAL SERVICES DEPT.		155,215	152,383	172,351	172,351	172,090	186,167

PROPERTY STANDARDS DEPARTMENT

The Property Standards department is responsible for implementing adopted codes and City ordinances aimed at maintaining the public health, safety and welfare, and, where violations occur, working with citizens to achieve compliance through an efficient, equitable, and collaborative process.

Core Values

- Timely response to all citizen complaints.
- Proactive case processing and nuisance abatement.
- Sustain a quality built environment and increase property values.
- Improve community relations through education and in-field contact.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Code Enforcement Officer	1.0	1.0	1.0
Total FTE's	1.0	1.0	1.0

FY 2023 ACHIEVEMENTS

- * Code and building inspection task team focusing on downtown and outer city limits.
- * Update necessary ordinances improving property maintenance and dilapidated structures.
- * Work with HOA's to encourage recycle, shredding, and hazardous disposal events for residents.

FY 2024 INITIATIVES

- * Continued focus on IPMC throughout City.
- * Implement code task team focused on dilapidated structures and fire hazards.
- * Coordinate with school district and HOA's to address repeat violations

PERFORMANCE MEASURES					
STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SENSE OF COMMUNITY	Increase City Messaging Efforts	Provide department informational postings, flyers and handouts	\$ 2,000	\$ 2,000	\$ 2,000
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	Strive to maintain excellent customer service to all interactions with public.	yes	yes	yes

Expenditures 100-45							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51020	Operational	50,401	52,929	55,408	55,408	55,465	59,955
51030	Longevity Pay	-	75	135	135	135	195
51040	Employee Merit	200	200	200	200	200	200
51070	Overtime	252	238	300	300	300	300
51100	FICA	3,890	4,088	4,264	4,264	4,292	4,617
51110	Retirement	5,299	5,509	5,725	5,725	5,762	6,101
51119	HRA Card Expense	4,787	5,144	5,145	5,145	5,145	5,145
51120	Employee Health Care Cost	5,455	6,103	7,202	7,202	7,110	7,850
51121	Dental Insurance	342	362	380	380	357	378
51122	Life & Disability Insurance	305	328	346	346	305	295
51140	Worker's Comp. Insurance	283	178	274	274	242	293
	Total Salary & Benefits	71,214	75,155	79,379	79,379	79,313	85,329
52010	Office Supplies	168	319	400	400	400	400
52011	Postage	343	603	400	400	400	400
52020	Printing	489	-	350	350	350	350
52050	Motor Vehicle Fuel	1,124	1,364	3,000	3,000	2,500	3,000
52060	Minor Tools & Equipment	44	303	400	400	400	500
52070	Food	-	149	200	200	200	200
52090	Wearing Apparel	116	506	600	600	600	600
	Total Supplies	2,284	3,245	5,350	5,350	4,850	5,450
53040	Motor Vehicle Repair	312	364	750	750	750	750
	Total Maintenance & Repairs	312	364	750	750	750	750
54030	Software Costs & IT Support	9,924	5,642	10,000	10,000	10,000	15,000
54041	Vehicle Lease Payments	6,922	6,922	11,536	11,536	11,373	10,841
54050	Insurance - Liab. & Property	689	750	400	400	560	600
54130	Training & Travel	198	100	1,000	1,000	1,000	1,500
54140	Membership Dues	-	195	200	200	200	500
54165	Contract Services	13,873	5,410	25,000	25,000	25,000	25,000
54230	Legal Services	93	607	1,000	1,000	500	1,000
	Total Contractual	31,699	19,626	49,136	49,136	48,633	54,441
TOTAL PROPERTY STANDARDS DEPT.		105,509	98,389	134,615	134,615	133,546	145,970

BUILDING SAFETY DEPARTMENT

The mission of the Building Safety department is to work in partnership with the citizens and building community by providing a safe-built environment through compliance of the adopted codes and ordinances by issuing permits where required, reviewing plans, and performing necessary inspections.

Core Values

- Provide service with courtesy, integrity, and fairness.
- Be a knowledgeable staff, dedicated to understanding the adopted codes and ordinances.
- Continually serve in the best interest of our community and profession.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Director of Community Services and Building Safety	1.0	1.0	1.0
Inspections Supervisor/Field Supervisor	1.0	1.0	1.0
Administrative Assistant/Permit Clerk	1.0	1.0	1.0
Combination Inspector	2.0	2.0	2.0
Building Inspector	1.0	1.0	1.0
Administrative Assistant/Customer Service Rep	-	1.0	1.0
Community Services Coordinator	-	1.0	1.0
Total FTE's	6.0	8.0	8.0

FY 2023 ACHIEVEMENTS

- * Developed staff training focused on accountability, diversity, and customer service.
- * Expanded code and inspection task team to annexed outer city limits addressing dilapidated structures.
- * Completed phase I ADA self-evaluation project list.
- * Expanded online permitting system.

FY 2024 INITIATIVES

- * Continue staff development focused on accountability, diversity, and customer service.
- * Commercial Backflow registration program.
- * Certificate of Occupancy renewal program
- * Adoption of the 2021 ICC codes
- * Implementation of the newly adopted irrigation ordinance.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SENSE OF COMMUNITY	Build Community Connections &	Improve communication and education of codes and permitting.	current	current	current
	Increase City Messaging Efforts	Provide department informational postings, flyers and handouts	\$ 2,000	\$ 2,000	\$ 2,000
SUSTAINABLE INFRASTRUCTURE & SERVICES	Proactively Maintain and Improve Existing	Initiate maintenance schedules and inspection follow up for newly accepted infrastructure	complete	complete	complete
	Deliver Excellent Customer Service	Strive to maintain excellent customer service to all interactions with public.	yes	yes	yes
	Stabilize the Workforce	Provide training to increase employee value, establish KPI's for visible improvements.	\$ 4,000	\$ 4,000	\$ 4,000

Expenditures 100-50

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	110,896	118,614	125,427	125,427	125,500	135,739
51020	Operational	212,299	222,511	409,120	409,120	353,514	416,975
51030	Longevity Pay	560	845	1,425	1,425	1,425	1,875
51040	Employee Merit	1,000	1,000	1,600	1,600	1,400	1,600
51070	Overtime	949	670	700	700	700	700
51090	Auto Allowance	-	6,000	6,000	6,000	6,000	6,000
51100	FICA	24,163	25,751	41,583	41,583	36,327	43,008
51110	Retirement	33,996	35,989	55,825	55,825	49,912	56,837
51119	HRA Card Expense	25,680	25,633	40,730	40,730	37,012	41,160
51120	Employee Health Care Cost	35,662	39,048	70,229	70,229	63,415	81,481
51121	Dental Insurance	1,729	1,810	3,008	3,008	2,201	3,026
51122	Life & Disability Insurance	1,841	1,934	3,099	3,099	2,416	2,583
51140	Worker's Comp. Insurance	3,381	414	2,322	2,322	1,914	2,357
	Total Salary & Benefits	452,156	480,218	761,068	761,068	681,736	793,341
52010	Office Supplies	1,370	1,880	2,200	2,200	2,200	2,200
52011	Postage	50	278	250	250	580	750
52020	Printing	1,229	52	1,000	1,000	1,000	1,000
52030	Office Equip/Furniture/Fixture	959	109	1,000	1,000	1,000	1,000
52050	Motor Vehicle Fuel	4,996	7,147	7,000	7,000	7,000	7,500
52060	Minor Tools & Equipment	452	558	800	800	800	800
52070	Food	69	295	500	500	500	500
52090	Wearing Apparel	1,300	2,978	3,600	3,600	3,600	4,400
	Total Supplies	10,425	13,297	16,350	16,350	16,680	18,150
53040	Motor Vehicle Repair	1,818	2,345	1,500	1,500	1,500	1,500
	Total Maintenance & Repairs	1,818	2,345	1,500	1,500	1,500	1,500
54020	Electricity	-	452	-	-	-	-
54030	Software Costs & IT Support	12,864	17,695	14,500	14,500	14,500	17,000
54041	Vehicle Lease Payments	9,885	15,596	50,336	50,336	27,409	32,584
54050	Insurance - Liab. & Property	2,725	3,985	2,727	2,727	3,044	3,400
54095	Cred Cd Merchant Fees	81,218	-	-	-	-	-
54130	Training & Travel	1,474	5,027	2,700	2,700	2,700	6,000
54140	Membership Dues	500	542	300	300	300	500
54165	Contract Services	7,240	20,692	8,500	8,500	8,500	8,500
	Total Contractual	115,906	63,989	79,063	79,063	56,453	67,984
TOTAL BUILDING SAFETY DEPT		580,305	559,849	857,981	857,981	756,369	880,975

PARKS DEPARTMENT

The Parks department is responsible for providing well-maintained facilities that foster recreational and athletic activities in a safe, clean, and comfortable environment. The department provides routine maintenance, repairs and improvements to the parks in the City.

Core Values

- Serve the residents of Fate by providing efficient and dependable services.
- Maintain positive customer interactions.
- To protect and enhance the investment in facilities and other assets of the City of Fate.

Personnel:

The Parks department does not fund personnel.

FY 2023 ACHIEVEMENTS

- * Completed construction Phase I Fate Station Park.
- * Completed construction Phase I Joe Burger Park.
- * Created soccer game fields at Robert Smith Family Park.
- * Established downtown color/flower replacement program.

FY 2024 INITIATIVES

- * Complete play structure at Fate Station.
- * Construct Bathroom at Fate Station
- * Construct full size sports field at Joe Burger
- * Rehab disc golf course at Robert Smith Park
- * Construct shade structure at Joe Burger

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SENSE OF COMMUNITY	Increase City Messaging Efforts	Provide department informational postings, flyers and handouts	\$ 2,000	\$ 2,000	\$ 2,000
SUSTAINABLE INFRASTRUCTURE & SERVICES	Adequately Maintain Parks	Increase weekend presence and improve procedures of maintenance. Weekend on-call	\$ 10,000	\$ 10,000	\$ 10,000
	Deliver Excellent Customer Service	Strive to maintain excellent customer service to all interactions with public.	yes	yes	yes
	Stabilize the Workforce	Provide training to increase employee value, establish KPI's for visible improvements.	\$ 4,000	\$ 4,000	\$ 4,000

Expenditures 100-55							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
52010	Office Supplies	-	-	500	500	500	500
52040	Janitorial	293	866	1,000	1,000	1,000	1,000
52060	Minor Tools & Equipment	12,525	3,440	3,500	3,500	3,500	10,000
52120	Chemicals	2,929	1,667	2,000	2,000	2,000	5,000
52130	Landscaping Supplies	1,955	3,917	2,500	2,500	2,500	5,000
52165	COVID-19	264	-	-	-	-	-
	Total Supplies	17,966	9,891	9,500	9,500	9,500	21,500
53010	M/R Building/Structures Repair	855	-	-	-	-	-
53040	M/R Motor Vehicles	-	5	-	-	-	-
53050	M/R Equip/Machinery	4,040	7,819	5,000	5,000	5,000	5,000
53080	M/R Parks	11,282	9,201	15,000	15,000	15,000	30,000
	Total Maintenance & Repairs	16,177	17,025	20,000	20,000	20,000	35,000
54020	Electricity	-	1,723	-	-	-	-
54022	Water & Sewer Service	-	306	-	-	-	-
54030	Software Costs & IT Support	-	-	6,552	6,552	6,552	-
54050	Insurance - Liab. & Property	993	1,541	1,090	1,090	2,806	1,900
54075	Support of Community Events	-	9,927	10,000	10,000	10,000	10,000
54130	Training & Travel	219	-	-	-	-	-
54140	Membership Dues	-	450	-	-	-	-
54165	Contract Services	19,330	23,810	23,500	23,500	23,500	23,500
54240	Consulting Services	-	415	-	-	-	-
	Total Contractual	20,542	38,172	41,142	41,142	42,858	35,400
55210	Disaster Events	139	-	-	-	-	-
	Total Other	139	-	-	-	-	-
56040	Capital Purchase Mach & Equip	41,686	-	-	-	-	-
	Total Capital Outlay	41,686	-	-	-	-	-
TOTAL PARKS DEPT.		96,510	65,088	70,642	70,642	72,358	91,900

STREETS DEPARTMENT

The Streets department is responsible for the maintenance of all streets, street signs, and storm drainage systems within the city limits. The department is also responsible for maintaining City rights-of-way and medians.

Core Values

- Support and enhance the quality of life for Fate citizens by:
- Providing cost-effective infrastructure.
- Continuing to upgrade and improve road condition throughout the City.
- Being responsive to customer issues.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Maintenance Technician	2.0	2.0	2.0
Total FTE's	2.0	2.0	2.0

FY 2023 ACHIEVEMENTS

- * County Line and North King were milled, compacted, stabilized and asphalt overlaid.
- * Completed concrete repair work in Williamsburg, Northview Sleepy Hollow, Woodcreek including curb repairs as needed.
- * Pothole repairs city wide.
- * Completed Storm water drainage work on Hailey/Jeremy, North Smith Rd and currently working on the Melody Ranch drainage improvement project.
- * Completed crack sealing on Old Downtown streets and County line Rd.
- * Added road markers and striping as needed city wide.
- * Continued to work with the 50/50 sidewalk/curb replacement program.
- * Replaced street signs and road signs as needed, reported street light outages to utility providers.

FY 2024 INITIATIVES

- * Continue to increase concrete and asphalt repairs.
- * Improve the Street Maintenance Program.
- * Repair and replace city street signs as needed.
- * Continue construction oversight as needed.
- * Assist with inspections on bond project as needed during construction.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SUSTAINABLE INFRASTRUCTURE & SERVICES	Proactively Maintain and Improve Existing and New Infrastructure	Replaced Signs	125	130	125
		Road Rehabilitation Projects (Linear Feet)	8,500	12,000	8,500
		Projects Completed	60	75	65
	Deliver Excellent Customer Service	50/50 Sidewalk Repairs	23	15	20
		Increase in Service Miles	81.99	87	91

Expenditures 100-60							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51020	Operational	31,804	55,888	74,212	74,212	76,062	82,048
51030	Longevity Pay	60	120	260	260	180	315
51040	Employee Merit	200	200	400	400	400	400
51070	Overtime	175	685	-	-	-	-
51100	FICA	2,466	4,457	5,728	5,728	5,928	6,331
51110	Retirement	3,361	5,865	7,689	7,689	7,959	8,367
51119	HRA Card Expense	5,145	7,927	10,290	10,290	10,290	10,290
51120	Employee Health Care Cost	7,276	10,623	16,046	16,046	15,841	17,848
51121	Dental Insurance	342	558	760	760	714	757
51122	Life & Disability Insurance	320	372	503	503	437	409
51140	Worker's Comp. Insurance	113	3,220	3,300	3,300	1,849	3,511
	Total Salary & Benefits	51,262	89,915	119,188	119,188	119,660	130,276
52010	Office Supplies	19	-	-	-	-	-
52015	Operating Supplies	1,229	-	-	-	-	-
52050	Motor Vehicle Fuel	2,192	3,275	2,650	2,650	2,650	2,750
52060	Minor Tools & Equipment	4,899	1,479	1,000	1,000	1,000	1,500
52090	Wearing Apparel	654	639	1,500	1,500	1,500	1,500
52130	Landscaping Supplies	1,084	2,203	2,000	2,000	2,000	2,000
52135	Public Works Supplies	-	-	5,000	5,000	5,000	5,000
52140	Street Signs	12,694	12,691	9,000	9,000	9,000	9,000
52160	Miscellaneous Supplies	527	-	-	-	-	-
	Total Supplies	23,298	20,287	21,150	21,150	21,150	21,750
53040	M/R Motor Vehicles	20	915	1,000	1,000	1,000	1,000
53050	M/R Equip/Machinery	349	1,616	1,000	1,000	1,000	1,000
53060	M/R Streets/Alleys	196,693	204,452	-	-	-	-
53061	M/R Asphalt	386,849	408,863	-	-	-	-
53070	M/R Sidewalks/Culverts/Bridges	51	310	-	-	-	-
53091	Sidewalk Replacement Program	10,453	5,430	20,000	20,000	15,000	20,000
53120	M/R Miscellaneous	13,261	8,000	-	-	-	-
53130	Traffic Calming Projects	-	-	20,000	20,000	15,000	11,000
	Total Maintenance & Repairs	607,676	629,586	42,000	42,000	32,000	33,000
54020	Electricity	164,268	178,840	160,250	160,250	180,250	200,000
54022	Water & Sewer Service	-	27	-	-	-	-
54040	Lease/Rental of Equipment	-	-	500	500	500	500
54041	Vehicle Lease Payments	7,073	7,073	20,103	20,103	14,980	26,457
54045	Lease of Real Property	2,098	1,988	4,166	4,166	4,166	-
54050	Insurance - Liab. & Property	5,079	5,735	4,266	4,266	3,868	4,300
54130	Training & Travel	-	-	1,080	1,080	-	1,080
54220	Engineering Services	-	32	-	-	-	-
	Total Contractual	178,518	193,694	190,365	190,365	203,764	232,337
55210	Disaster Events	15,528	-	-	-	-	-
	Total Miscellaneous Charges	15,528	-	-	-	-	-
56040	Capital Purchase Mach & Equip	15,601	5,000	-	-	-	-
	Total Capital Outlay	15,601	5,000	-	-	-	-
TOTAL STREETS DEPT.		891,883	938,482	372,703	372,703	376,574	417,363

FACILITIES DEPARTMENT

The Facilities department works to foster a respectful workplace that actively supports employees and citizens by creating a safe, healthy atmosphere and caring for the physical environment while managing the resources for the benefit of the City of Fate.

Core Values

- Support and enhance the quality of life for Fate citizens by:
- Providing effective and reliable services as a collaborative and valued team.
- Finding balance among preservation, maintenance, function, and fiscal management.
- Maintaining an exceptional cost-effective learning and working environment.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Crew Leader	1.0	1.0	1.0
Facilities & Parks Maintenance Technician I	4.0	4.0	4.0
Facilities & Parks Maintenance Technician II	-	1.0	1.0
Custodian	1.0	1.0	1.0
Total FTE's	6.0	7.0	7.0

FY 2023 ACHIEVEMENTS

- * Initiated building maintenance program.
- * Improved upon Department safety program and protocol.
- * Continued efforts of maintaining City owned buildings promoting a professional work environment.

FY 2024 INITIATIVES

- * Complete MDD third floor finish out.
- * Landscape rehab Downtown.
- * Improve landscape City Hall.
- * Facade improvements to the Old Town Core building.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	PERFORMANCE MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SENSE OF COMMUNITY	Increase City Messaging Efforts	Provide department informational postings, flyers and handouts	\$ 2,000	\$ 2,000	\$ 2,000
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	Strive to maintain excellent customer service to all interactions with public.	yes	yes	yes
	Stabilize the Workforce	Provide training to increase employee value, establish KPI's for visible improvements.	\$ 4,000	\$ 4,000	\$ 4,000

Expenditures 100-65							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51020	Operational	167,514	235,577	332,050	332,050	304,866	353,896
51030	Longevity Pay	90	185	480	480	375	710
51040	Employee Merit	1,000	1,000	1,600	1,600	1,200	1,600
51070	Overtime	6,082	2,570	2,000	2,000	2,000	5,000
51100	FICA	12,877	17,967	25,561	25,561	23,271	27,250
51110	Retirement	18,165	24,670	34,315	34,315	31,674	36,012
51119	HRA Card Expense	23,127	31,462	41,160	41,160	39,408	41,160
51120	Employee Health Care Cost	30,721	42,991	68,979	68,979	61,363	72,608
51121	Dental Insurance	1,608	2,217	3,040	3,040	2,737	3,026
51122	Life & Disability Insurance	1,013	1,559	2,194	2,194	1,777	1,784
51140	Worker's Comp. Insurance	4,439	6,957	10,416	10,416	8,339	10,950
	Total Salary & Benefits	266,636	367,154	521,795	521,795	477,010	553,996
52010	Office Supplies	1,098	1,281	2,700	2,700	2,700	2,700
52020	Printing	-	-	100	100	100	100
52030	Office Equip/Furniture/Fixture	12,386	17,833	5,000	5,000	5,000	5,000
52040	Janitorial	5,018	8,650	9,000	9,000	9,000	9,000
52050	Motor Vehicle Fuel	8,126	19,668	5,500	5,500	11,185	12,000
52060	Minor Tools & Equipment	2,037	2,476	2,000	2,000	2,000	5,000
52070	Food	159	391	500	500	500	500
52090	Wearing Apparel	2,557	3,104	5,000	5,000	5,000	5,000
52130	Landscaping Supplies	1,439	2,967	3,000	3,000	3,000	5,000
52160	Miscellaneous Supplies	113	-	-	-	-	-
52165	COVID-19	571	-	-	-	-	-
	Total Supplies	33,504	56,369	32,800	32,800	38,485	44,300
53010	M/R Buildings/Structures	10,753	30,268	46,000	46,000	46,000	95,000
53040	M/R Motor Vehicles	3,769	932	3,000	3,000	3,000	3,000
53120	M/R Miscellaneous	1,515	-	-	-	-	-
	Total Maintenance & Repairs	16,037	31,200	49,000	49,000	49,000	98,000
54020	Electricity	26,148	25,772	45,300	45,300	45,106	53,000
54021	Natural Gas	534	967	1,530	1,530	1,530	1,530
54022	Water & Sewer Service	35,293	44,758	32,400	32,400	32,400	34,200
54040	Lease/Rental of Equipment	434	34	1,000	1,000	1,000	1,000
54041	Vehicle Lease Payments	40,863	37,763	40,757	40,757	39,562	61,763
54045	Lease/Rental of Real Property	2,098	1,988	4,166	4,166	4,166	12,972
54050	Insurance - Liab. & Property	2,618	3,212	2,260	2,260	2,527	22,200
54130	Training & Travel	494	723	2,000	2,000	2,000	3,000
54140	Membership Dues	-	-	-	-	-	1,000
54165	Contract Services	15,833	14,336	47,800	47,800	47,800	52,800
54250	Miscellaneous Services	-	-	-	-	-	-
	Total Contractual	124,315	129,555	177,213	177,213	176,091	243,465
55210	Disaster Events	29,863	-	-	-	-	-
	Total Capital Outlay	29,863	-	-	-	-	-
56020	Capital-Buildings	-	-	60,000	60,000	60,000	15,000
56023	Capital-Building Improvements	-	13,031	-	-	-	-
56040	Capital-Machinery & Equipment	-	-	55,842	55,842	55,842	-
56080	Capital-Park Improvements	-	-	18,000	18,000	18,000	-
	Total Capital Outlay	-	13,031	133,842	133,842	133,842	15,000
TOTAL FACILITIES DEPT.		470,355	597,309	914,650	914,650	874,428	954,761

NON-OPERATING GOVERNMENTAL FUNDS

Fund 201 - Road Construction Fund

This fund accounts for road construction, repair and maintenance projects. In FY24 the City plans to transfer in \$1M from the General Fund to be spent on street repair and maintenance.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	49,624	1,004,914	505,665	505,665	505,665	6,500
	Revenues						
46100	Investment Income	1,714	5,127	200	200	6,700	1,000
	Total Revenues	1,714	5,127	200.00	200.00	6,700	1,000
	Expenditures						
52060	Minor Tools & Equipment	(1,271)	-	-	-	-	-
53060	Street/Alley Repair	(9,797)	(205,920)	(450,000)	(450,000)	(450,000)	(215,000)
53061	Asphalt Repair	-	(298,457)	(1,050,000)	(1,050,000)	(709,197)	(857,000)
56050	Capital-WW Mains, Stations, etc	(1,786)	-	-	-	-	-
56070	Capital-Streets, Bridges-Downtown	(33,570)	-	-	-	-	-
	Total Expenditures	(46,424)	(504,377)	(1,500,000)	(1,500,000)	(1,159,197)	(1,072,000)
	Other Revenue & Financing Sources						
47100	Transfers In From General Fund	1,000,000	-	1,000,000	1,000,000	333,332	1,072,000
47880	Transfers In From Storm Water Fund	-	-	-	-	320,000	-
	Total Other Revenue & Financing Sources	1,000,000	-	1,000,000	1,000,000	653,332	1,072,000
	Net Change in Fund Balance	955,290	(499,250)	(499,800)	(499,800)	(499,165)	1,000
	Ending Fund Balance	1,004,914	505,665	5,865	5,865	6,500	7,500

Fund 202 - Governmental Capital Projects Fund

This Fund accounts for capital expenditures other than roads. In FY23 and FY24 transfers in totaling \$1,225,000 from other funds will be used to finish out leased space on the third floor of Fate Place Building. More details are provided in the CIP portion of the budget document.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	63,828	1,556,835	420,057	420,057	420,057	1,159,057
	Revenues						
46100	Investment Income	2,225	2,886	300	300	18,000	20,000
46125	Miscellaneous Income	-	4,630	-	-	-	-
	Total Revenues	2,225	7,516	300	300	18,000	20,000
	Expenditures						
52030	Office Equip/Furniture/Fixtures	-	-	-	-	-	(300,000)
56023	Building Improvements	-	-	(775,000)	(775,000)	-	(1,344,058)
56025	Engineering Services	(12,928)	(12,119)				
56080	Capital-Parks Construction	(207,290)	(1,402,175)	(106,266)	(106,266)	(54,000)	-
	Total Expenditures	(220,218)	(1,414,294)	(881,266)	(881,266)	(54,000)	(1,644,058)
	Other Revenue & Financing Sources						
47100	Transfers In From General Fund	50,000	-	-	-	-	-
47403	Transfers In from PFC	-	-	250,000	250,000	250,000	50,000
47417	Transfers In From Park Dev-C	28,000	-	-	-	-	-
47418	Transfers In From Park Dev-Comm	470,342	-	-	-	-	-
47600	Transfers In from FDC	462,658	-	-	-	-	-
47605	Transfers In From MDD	700,000	270,000	525,000	525,000	525,000	450,000
	Total Other Revenue & Financing Sources	1,711,000	270,000	775,000	775,000	775,000	500,000
	Net Change in Fund Balance	1,493,007	(1,136,779)	(105,966)	(105,966)	739,000	(1,124,058)
	Ending Fund Balance	1,556,835	420,057	314,091	314,091	1,159,057	34,998

Fund 203 - Woodcreek Signals Fund

This capital projects fund is used to account for revenues collected from developer agreements and to record expenditures for the purpose of installing traffic signals.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	566,444	550,246	658,404	658,404	658,404	131,362
	Revenues						
46100	Investment Income	1,640	3,186	1,000	1,000	7,500	2,000
46140	Developer Agreement Fees	-	105,490	-	-	18,075	203,093
	Total Revenues	1,640	108,676	1,000	1,000	25,575	205,093
	Expenditures						
55190	TXDOT Reimbursements	-	-	(638,799)	(638,799)	-	-
56015	Developer Reimbursement	-	-	-	-	(502,617)	-
56040	Capital-Machinery & Equipment	(17,838)	(518)	(50,000)	(50,000)	(50,000)	(50,000)
	Total Expenditures	(17,838)	(518)	(688,799)	(688,799)	(552,617)	(50,000)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	(16,198)	108,158	(687,799)	(687,799)	(527,042)	155,093
	Ending Fund Balance	550,246	658,404	(29,395)	(29,395)	131,362	286,455

Fund 206 - Governmental Capital Replacement Fund

This capital projects fund is used to account for transfers from the General Fund for the replacement of governmental capital assets. In FY23 the City purchased a brush truck for the Public Safety Department.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	315	200,539	185,273	185,273	185,273	3,217
	Revenues						
46100	Investment Income	224	979	-	-	2,500	-
	Total Revenues	224	979	-	-	2,500	-
	Expenditures						
52060	Minor Tools & Equipment	-	(3,588)	-	-	-	-
56040	Capital-Machinery & Equipment	-	(12,669)	(184,556)	(184,556)	(184,556)	-
	Total Expenditures	-	(16,257)	(184,556)	(184,556)	(184,556)	-
	Other Revenue & Financing Sources						
47100	Transfers In from General Fund	200,000	12	-	-	-	-
	Total Other Revenue & Financing Sources	200,000	12	-	-	-	-
	Net Change in Fund Balance	200,224	(15,266)	(184,556)	(184,556)	(182,056)	-
	Ending Fund Balance	200,539	185,273	717	717	3,217	3,217

Fund 207 - Series 2021A Road Bond Construction Fund

In May 2021 the citizens of Fate approved the issuance of bonds for road construction projects. This fund was created for the purpose of depositing the proceeds of the bond sale and to account for project costs. More details regarding planned projects can be found in the capital improvements section of the budget document.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	-	14,977,337	14,095,195	14,095,195	14,095,195	4,499,130
	Revenues						
46100	Investment Income	15,909	(18,252)	15,000	15,000	315,000	100,000
46125	Miscellaneous Income	-	7,970.62	-	-	-	-
	Total Revenues	15,909	(10,281)	15,000	15,000	315,000	100,000
	Expenditures						
56010	Capital - Land	-	(453,779)	-	-	-	-
56025	Engineering Services-Woodcreek Blvd	(28,443)	(155,707)	-	-	-	(10,000)
56025	Engineering Services-Riding Club Ext	(10,129)	(31,015)	(228,636)	(228,636)	(228,636)	(6,000)
56025	Engineering Services-Water Tower Rd	-	-	(243,382)	(243,382)	(243,382)	-
56025	Engineering Services-Gettysburg Ext	-	(33,683)	(300,000)	(300,000)	(300,000)	(94,367)
56025	Engineering Services-I30 Turn Ln	-	(72,742)	(225,000)	(225,000)	(225,000)	-
56070	Capital-Streets, Bridges, etc-Contingency	-	-	-	-	-	(1,000,000)
56070	Capital-Streets, Bridges, etc-Woodcreek Blvd	-	-	(3,264,278)	(3,264,278)	(3,264,278)	(1,036,165)
56070	Capital-Streets, Bridges, etc-Riding Club Ext	-	-	(1,295,604)	(1,295,604)	(1,295,604)	(284,010)
56070	Capital-Streets, Bridges, etc-Water Tower Rd	-	-	(1,379,165)	(1,379,165)	(1,379,165)	-
56070	Capital-Streets, Bridges, etc-Gettysburg Ext	-	-	(1,700,000)	(1,700,000)	(1,700,000)	(500,000)
56070	Capital-Streets, Bridges, etc-I30 Turn Ln	-	-	(1,275,000)	(1,275,000)	(1,275,000)	-
56072	Capital-Railroad Crossings-Woodcreek Blvd	-	(124,933)	-	-	-	-
	Total Expenditures	(38,572)	(871,860)	(9,911,065)	(9,911,065)	(9,911,065)	(2,930,542)
	Other Revenue & Financing Sources						
49100	Loan & Bond Proceeds	12,985,000	-	-	-	-	-
49304	Bond Premium-2021A GO Bonds	2,215,557	-	-	-	-	-
55380	Cost of Issuance	(200,557)	-	-	-	-	-
	Total Other Revenue & Financing Sources	15,000,000	-	-	-	-	-
	Net Change in Fund Balance	14,977,337	(882,142)	(9,896,065)	(9,896,065)	(9,596,065)	(2,830,542)
	Ending Fund Balance	14,977,337	14,095,195	4,199,130	4,199,130	4,499,130	1,668,588

Fund 514 - Edgewater PID Maintenance Tax Fund

This fund was created to segregate funds collected for operations and maintenance in the Edgewater Public Improvement District (PID). Taxes are levied and deposited in this fund to be spent only for the specific operation and maintenance, capital replacement and drainage within the district.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	-	80	752	752	752	1,535
	Revenues						
41100	Current Roll M&O Property Tax	80	669	669	669	1,270	1,300
46100	Investment Income	-	3	-	-	17	-
	Total Revenues	80	672	669	669	1,287	1,300
	Expenditures						
54160	Billing & Collection	-	-	-	-	(504)	(600)
	Total Expenditures	-	-	-	-	(504)	(600)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	80	672	669	669	783	700
	Ending Fund Balance	80	752	1,421	1,421	1,535	2,235

Fund 610 - Court Child Safety Fund

The Court Child Safety Fund is used to account for fees collected through municipal court fines for the specific purpose of providing funding for school crossing guard programs. Leftover funds may be used for programs designed to enhance child safety, health, or nutrition, including child abuse intervention and prevention and drug and alcohol abuse prevention.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	6,617	5,759	3,189	3,189	3,189	2,489
	Revenues						
44100	Municipal Court Costs & Fines	1,100	2,175	2,000	2,000	2,000	2,000
46100	Investment Income	32	33	15	15	75	50
	Total Revenues	1,132	2,208	2,015	2,015	2,075	2,050
	Expenditures						
52060	Minor Tools & Equipment	(1,990)	(4,778)	-	-	(2,775)	(4,444)
52160	Miscellaneous Supplies	-	-	(7,928)	(7,928)	-	-
	Total Expenditures	(1,990)	(4,778)	(7,928)	(7,928)	(2,775)	(4,444)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	(858)	(2,570)	(5,913)	(5,913)	(700)	(2,394)
	Ending Fund Balance	5,759	3,189	(2,724)	(2,724)	2,489	95

Fund 612 - Court Security Fund

The Court Security Fund accounts for fees collected through municipal court fines for the purpose of financing the purchase of security devices and/or services for the buildings housing the municipal court.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	13,706	17,092	18,606	18,606	18,606	20,034
	Revenues						
44100	Municipal Court Costs & Fines	3,975	5,298	3,800	3,800	3,800	3,800
46100	Investment Income	73	92	40	40	350	100
	Total Revenues	4,048	5,390	3,840	3,840	4,150	3,900
	Expenditures						
51070	Overtime	(662)	(1,238)	(3,360)	(3,360)	(1,600)	(3,360)
51100	FICA	-	(95)	-	-	(122)	(257)
52060	Minor Tools & Equipment	-	(2,543)	-	-	-	(2,000)
55600	Contingency	-	-	(2,000)	(2,000)	-	-
56023	Building Improvements	-	-	(1,000)	(1,000)	(1,000)	-
	Total Expenditures	(662)	(3,876)	(6,360)	(6,360)	(2,722)	(5,617)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	3,386	1,514	(2,520)	(2,520)	1,428	(1,717)
	Ending Fund Balance	17,092	18,606	16,086	16,086	20,034	18,317

Fund 613 - Court Technology Fund

The Court Security Fund accounts for fees collected through municipal court fines for the purpose of financing the purchase of or to maintain technology enhancements for the municipal court of the City.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	1,240	3,165	8,904	8,904	8,904	7,414
	Revenues						
44100	Municipal Court Costs & Fines	4,320	5,744	3,800	3,800	4,800	4,800
46100	Investment Income	8	37	15	15	145	15
	Total Revenues	4,328	5,780	3,815	3,815	4,945	4,815
	Expenditures						
52031	IT Equipment	-	-	-	-	-	-
54030	Software Costs & IT Support	(2,403)	(41)	(7,000)	(7,000)	(6,435)	(7,000)
	Total Expenditures	(2,403)	(41)	(7,000)	(7,000)	(6,435)	(7,000)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	1,925	5,739	(3,185)	(3,185)	(1,490)	(2,185)
	Ending Fund Balance	3,165	8,904	5,719	5,719	7,414	5,229

Fund 614 - Federal Seizure Fund

The Federal Seizure Fund is used to account for federal asset forfeitures awarded to the City via the Department of Justice Equitable Sharing Program. The fund also accounts for funds expended for law enforcement purposes and under the U.S. Department of Justice guidelines for permissible uses.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	27,452	8,914	11,415	11,415	11,415	11,565
	Revenues						
46100	Investment Income	64	49	-	-	150	50
46115	Sale of Surplus Property	2,500	2,452	-	-	-	-
48121	Federal Seizure Revenue	-	-	-	-	-	-
	Total Revenues	2,564	2,501	-	-	150	50
	Expenditures						
52060	Minor Tools & Equipment	(21,102)	-	(11,384)	(11,384)	-	(11,000)
	Total Expenditures	(21,102)	-	(11,384)	(11,384)	-	(11,000)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	(18,538)	2,501	(11,384)	(11,384)	150	(10,950)
	Ending Fund Balance	8,914	11,415	31	31	11,565	615

Fund 615 - State Seizures Fund

The State Seizure Fund is used to hold assets seized under Chapter 59 of the Texas Code of Criminal Procedure pending investigation and/or final judgement. This fund is also used to collect settlement income received from the State's Opioid Settlement Trust Fund. Seizure revenue is used for public safety expenditures and settlement income is used for drug prevention. Seizure revenues include seizures awaiting final judgement.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	3,025	166,627	174,793	174,793	174,793	176,493
	Revenues						
46100	Investment Income	14	875	200	200	3,200	2,000
48122	State Seizure Revenue	163,588	11,285	100,000	100,000	-	-
	Total Revenues	163,602	12,160	100,200	100,200	3,200	2,000
	Expenditures						
52150	Public Safety Supplies	-	(1,680)	(100,000)	(100,000)	-	(100,000)
54225	Court/District Attorney Cost	-	(2,315)	(1,500)	(1,500)	(1,500)	(1,500)
	Total Expenditures	-	(3,995)	(101,500)	(101,500)	(1,500)	(101,500)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	163,602	8,165	(1,300)	(1,300)	1,700	(99,500)
	Ending Fund Balance	166,627	174,793	173,493	173,493	176,493	76,993

Fund 616 - Roadway Impact Fund

The roadway Impact Fee Fund is used to account for the collection of roadway impact fees assessed to new residential and commercial construction. The impact fees collected pursuant to this division may be used to finance or to recoup the costs of any capital improvements or facilities expansions identified in the capital improvements plan for the service area, including but not limited to, the construction contract price, surveying and engineering fees, land acquisition costs (including land purchases, court awards and costs, attorney's fees, and expert witness fees), and the fees actually paid or contracted to be paid to an independent qualified engineer or other consultants preparing or updating the capital improvements plan who is not an employee of the city. Impact fees may also be used to pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the city to finance such capital improvements or facilities expansions.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	4,452,133	5,112,676	6,908,272	6,908,272	6,908,272	9,814,776
	Revenues						
45200	Roadway Impact Fees	1,842,035	2,511,947	3,520,297	3,520,297	3,088,639	1,861,371
46100	Investment Income	10,225	44,007	2,000	2,000	203,000	101,500
	Total Revenues	1,852,260	2,555,954	3,522,297	3,522,297	3,291,639	1,962,871
	Expenditures						
54240	Consulting Services	(3,008)	(523)	(50,000)	(50,000)	(50,000)	(50,000)
55600	Contingency	-	-	(704,060)	(704,060)	-	-
56015	Developer Reimbursements	(1,188,709)	(759,835)	(10,572,995)	(10,572,995)	(171,135)	(10,227,648)
56025	Engineering Services	-	-	-	-	(164,000)	-
56070	Capital-Streets,Bridges,etc.	-	-	-	-	-	(1,500,000)
	Total Expenditures	(1,191,717)	(760,357)	(11,327,055)	(11,327,055)	(385,135)	(11,777,648)
	Other Revenue & Financing						
		-	-	-	-	-	-
	Total Other Revenue &	-	-	-	-	-	-
	Net Change in Fund Balance	660,543	1,795,596	(7,804,758)	(7,804,758)	2,906,504	(9,814,777)
	Ending Fund Balance	5,112,676	6,908,272	(896,486)	(896,486)	9,814,776	0

Fund 617 - Public Safety Fund

The Public Safety Fund accounts for the collection of donations and expenditures for Public Safety purposes.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	2,544	3,756	2,630	2,630	2,630	1,865
	Revenues						
46100	Investment Income	31	14	-	-	25	-
46110	Donations	18,900	1	-	-	-	-
	Total Revenues	18,931	15	-	-	25	-
	Expenditures						
52060	Minor Tools & Equipment	(1,172)	-	-	-	-	-
52061	K9 Maintenance & Equipment	(4,047)	-	-	-	-	-
52150	Public Safety Supplies	-	(1,141)	(2,614)	(2,614)	(790)	(1,865)
56045	Capital-K9	(12,500)	-	-	-	-	-
	Total Expenditures	(17,719)	(1,141)	(2,614)	(2,614)	(790)	(1,865)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	1,212	(1,126)	(2,614)	(2,614)	(765)	(1,865)
	Ending Fund Balance	3,756	2,630	16	16	1,865	0

Fund 618 - Fire Safety Fund

The Fire Safety Fund accounts for the collection of donations and expenditures related to fire protection.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	426	1,429	1,436	1,436	1,436	656
	Revenues						
46100	Investment Income	3	7	-	-	10	-
46110	Donations	1,000	-	-	-	-	-
	Total Revenues	1,003	7	-	-	10	-
	Expenditures						
52060	Minor Tools & Equipment	-	-	(1,429)	(1,429)	(790)	(656)
	Total Expenditures	-	-	(1,429)	(1,429)	(790)	(656)
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	1,003	7	(1,429)	(1,429)	(780)	(656)
	Ending Fund Balance	1,429	1,436	7	7	656	0

Fund 710 - Parks Fund

The Parks fund is used to account for the collection of parks related donations and to record expenditures for City events such as Celebrate Fate and the Christmas Tree Lighting. The Parks Fund also receives funding from the General Fund via transfer.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	5,065	6,955	21,213	21,213	21,213	16,125
	Revenues						
46100	Investment Income	30	92	12	12	462	200
46110	Donations	614	511	200	200	200	200
46111	Celebrate Fate Donations	24,192	38,150	21,000	21,000	21,000	40,000
46113	Tree Lighting Event Donations	3,124	10,500	8,750	8,750	8,750	40,000
46117	History Preservation Donations	-	5				
	Total Revenues	27,960	49,258	29,962	29,962	30,412	80,400
	Expenditures						
54050	Insurance - Liab & Property	-	(500)	(500)	(500)	(500)	(500)
54076	Celebrate Fate Expense	(27,062)	(32,084)	(30,000)	(30,000)	(30,000)	(40,000)
54077	Tree Lighting Event	(14,008)	(17,367)	(20,000)	(20,000)	(20,000)	(30,000)
54079	Fate Community Cleanup	-	(50)	-	-	-	-
	Total Expenditures	(41,070)	(50,000)	(50,500)	(50,500)	(50,500)	(70,500)
	Other Revenue & Financing Sources						
47100	Transfers In From General Fund	15,000	15,000	15,000	15,000	15,000	15,000
	Total Other Revenue & Financing Sources	15,000	15,000	15,000	15,000	15,000	15,000
	Net Change in Fund Balance	1,890	14,258	(5,538)	(5,538)	(5,088)	24,900
	Ending Fund Balance	6,955	21,213	15,675	15,675	16,125	41,025

Fund 711 - Park Development Fund - District A

This fund was created in FY 2017 for the purpose of accounting for the collection of park development fees on a per dwelling unit basis and the cost of development and construction, equipment, and performance of ongoing maintenance for park facilities in Zone A.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	465,319	205,031	269,132	269,132	269,132	269,660
	Revenues						
45195	Park Development Fees-District A	116,815	69,150	44,064	44,064	134,028	110,160
46100	Investment Income	697	1,251	412	412	6,500	1,000
	Total Revenues	117,512	70,401	44,476	44,476	140,528	111,160
	Expenditures						
56015	Developer Reimbursement	-	-	(80,000)	(80,000)	(80,000)	-
56080	Capital-Parks Construction	(377,800)	(6,300)	(316,007)	(316,007)	(60,000)	-
	Total Expenditures	(377,800)	(6,300)	(396,007)	(396,007)	(140,000)	-
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	(260,288)	64,101	(351,531)	(351,531)	528	111,160
	Ending Fund Balance	205,031	269,132	(82,399)	(82,399)	269,660	380,820

Fund 712 - Park Development Fund - District B

This fund was created in FY 2017 for the purpose of accounting for the collection of park development fees on a per dwelling unit basis and the cost of development and construction, and equipment in park facilities within the City's Zone B.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	126,622	23,117	23,235	23,235	23,235	24,646
	Revenues						
45190	Park Dedication Fee- District B	2,135	-	-	-	-	-
45195	Park Dev Fees District B	-	-	149,040	149,040	961	-
46100	Investment Income	264	118	50	50	450	100
	Total Revenues	2,399	118	149,090	149,090	1,411	100
	Expenditures						
54240	Consulting Services	-	-	-	-	-	-
56080	Capital-Parks Construction	(105,904)	-	(498,272)	(498,272)	-	-
	Total Expenditures	(105,904)	-	(498,272)	(498,272)	-	-
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	(103,505)	118	(349,182)	(349,182)	1,411	100
	Ending Fund Balance	23,117	23,235	(325,947)	(325,947)	24,646	24,746

Fund 713 - Park Development Fund - District C

This fund was created in FY 2017 for the purpose of accounting for the collection of park development fees on a per dwelling unit basis and the cost of development and construction, and equipment in park facilities within the City's Zone C.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	-	25	55,776	55,776	55,776	124,122
	Revenues						
45195	Park Dev Fees District C	27,935	55,266	67,346	67,346	67,346	-
46100	Investment Income	90	485	400	400	1,000	500
	Total Revenues	28,025	55,751	67,746	67,746	68,346	500
	Expenditures						
56080	Capital-Parks Construction	-	-	(131,742)	(131,742)	-	(123,000)
	Total Expenditures	-	-	(131,742)	(131,742)	-	(123,000)
	Other Revenue & Financing Sources						
57410	Transfer to Capital Project Fund	(28,000)	-	-	-	-	-
	Total Other Revenue & Financing Sources	(28,000)	-	-	-	-	-
	Net Change in Fund Balance	25	55,751	(63,996)	(63,996)	68,346	(122,500)
	Ending Fund Balance	25	55,776	(8,220)	(8,220)	124,122	1,622

Fund 714 - Park Development Fund - Community

This fund was created in FY 2017 for the purpose of accounting for the collection of park development fees on a per dwelling unit basis and the cost of development, construction, and equipment for park facilities within the City.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	447,350	140,914	512,069	512,069	512,069	98,771
	Revenues						
45195	Park Development Fees-Community	344,300	482,900	643,500	643,500	157,300	132,000
46100	Investment Income	1,511	2,292	290	290	11,000	500
48112	TX Parks & Wildlife Grants	-	-	150,000	150,000	150,000	-
	Total Revenues	345,811	485,192	793,790	793,790	318,300	132,500
	Expenditures						
54076	Celebrate Fate Expense	-	(8,917)	-	-	-	-
54240	Consulting Services	(3,319)	(40,503)	-	-	-	-
56015	Developer Reimbursement	-	-	(885,597)	(885,597)	-	-
56025	Engineering Services	(71,740)	-	-	-	-	-
56080	Capital-Parks Construction	(106,846)	(64,617)	(1,001,597)	(1,001,597)	(731,597)	-
	Total Expenditures	(181,905)	(114,037)	(1,887,194)	(1,887,194)	(731,597)	-
	Other Revenue & Financing Sources						
57410	Transfer to Capital Projects Fund	(470,342)	-	-	-	-	-
	Total Other Revenue & Financing Sources	(470,342)	-	-	-	-	-
	Net Change in Fund Balance	(306,436)	371,155	(1,093,404)	(1,093,404)	(413,297)	132,500
	Ending Fund Balance	140,914	512,069	(581,335)	(581,335)	98,772	231,272

Fund 715 - Series 2021 GO Bond Construction Fund

In 2020 the citizens of Fate approved the issuance of bonds for the Joe Burger Park construction. This fund was created for the purpose of recording proceeds from the sale of bonds and account for project costs.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	-	3,118,747	160,479	160,479	160,479	(0)
	Revenues						
46100	Investment Income	10,172	7,544	-	-	5,200	-
46110	Donations	2,135	350	-	-	-	-
48112	TX Parks & Wildlife Grants	-	-	-	-	150,000	-
	Total Revenues	12,307	7,894	-	-	155,200	-
	Expenditures						
56025	Engineering Services	(92,025)	(120,220)	-	-	-	-
56080	Capital-Parks Construction	(55,057)	(2,845,942)	(715,592)	(715,592)	(315,679)	-
	Total Expenditures	(147,082)	(2,966,162)	(715,592)	(715,592)	(315,679)	-
	Other Revenue & Financing Sources						
49100	Loan & Bond Proceeds	3,230,000	-	-	-	-	-
49302	Bond Premium-2021 GO Bonds	94,072	-	-	-	-	-
55380	Cost of Issuance	(70,550)	-	-	-	-	-
	Total Other Revenue & Financing Sources	3,253,522	-	-	-	-	-
	Net Change in Fund Balance	3,118,747	(2,958,267)	(715,592)	(715,592)	(160,479)	-
	Ending Fund Balance	3,118,747	160,479	(555,113)	(555,113)	(0)	(0)

Fund 716 - Reforestation Fund

This fund was established to record payments from developers or property owners who violate the City's tree protection ordinance and who opt to pay a fee in lieu of plating replacement trees.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	-	-	-	-	-	-
	Revenues						
45180	Tree Mitigation Fees	-	-	-	-	-	11,700
	Total Revenues	-	-	-	-	-	11,700
	Expenditures						
	Total Expenditures	-	-	-	-	-	-
	Other Revenue & Financing Sources						
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	-	-	-	-	-	11,700
	Ending Fund Balance	-	-	-	-	-	11,700

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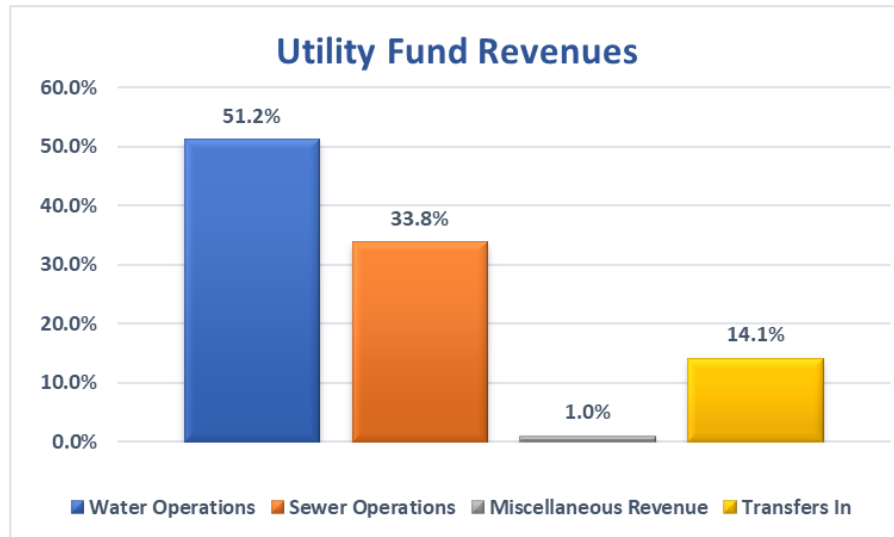
PROPRIETARY FUNDS



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UTILITY FUND REVENUES

	2021 Actual	2022 Actual	2023 Adopted	2023 Amended	2023 Projected	2024 Proposed	Percent Change (*)
Revenue Source							
Water Operations	6,411,205	8,200,383	7,752,921	7,752,921	7,848,728	8,243,925	6.3%
Sewer Operations	4,022,459	4,589,370	5,215,653	5,215,653	5,221,671	5,439,569	4.3%
Miscellaneous Revenue	61,781	56,321	70,500	70,500	200,500	155,500	120.6%
Revenue Before Transfers	10,495,445	12,846,074	13,039,074	13,039,074	13,270,899	13,838,994	6.1%
Transfers In	501,109	936,349	2,682,138	2,682,138	2,682,138	2,277,022	-15.1%
Total Revenues	10,996,554	13,782,423	15,721,212	15,721,212	15,953,037	16,116,016	2.5%

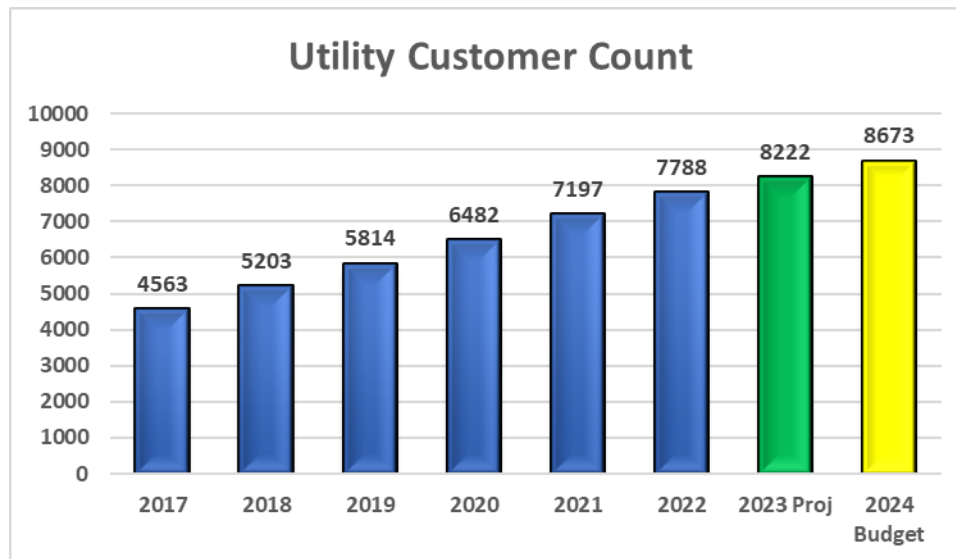


Charges for Water Service

This revenue represents water sales generated from residential and commercial water consumers. All of the City's water is purchased from the North Texas Municipal Water District (NTMWD) for resale to customers. The change between FY 2023 and FY 2024 reflects population growth. The City hires an outside firm to conduct an annual water and sewer rate study and takes into account the findings from the study to project next year's revenue. This budget assumes no increase to the water rate in FY 2024.

Charges for Sewer Service

The City's sanitary sewer is delivered to the NTMWD for treatment via interceptor systems. Sewer charges are calculated using the average usage of the three months that typically have the lowest water usage (December, January and February). In FY23 the NTMWD issued \$81M of bonds to fund improvements to the Sabine Creek Waste Water Treatment Plant which will more than double plant capacity to 7MGD. Debt service and operating costs of the plant are shared by the cities of Fate and Royse City. The NTMWD is estimating Fate's FY24 share of the cost at 56% which is a decrease from FY23's 67% share.



Miscellaneous Revenue

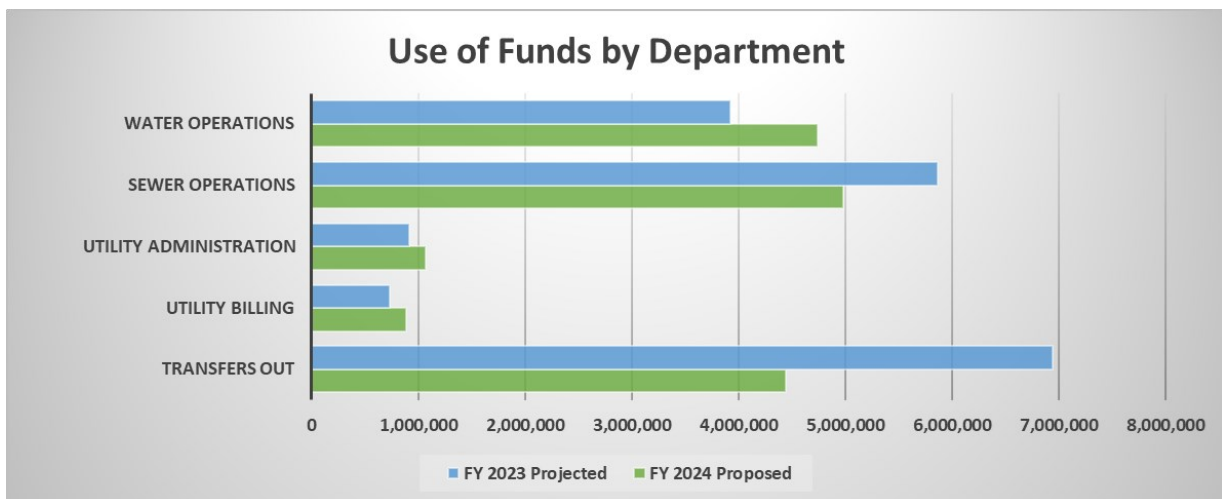
Included in this line are investment income, sale of surplus property and revenues that cannot be specifically identified as water or sewer revenue.

Transfers

Transfers from the Wastewater Impact and Parker Creek Interceptor funds are made in order to mitigate some of the NTMWD cost attributable to the Parker Creek Interceptor and the Sabine Creek Wastewater Treatment Plant (WWTP) expansion projects.

UTILITY FUND USE OF FUNDS

	2021 Actual	2022 Actual	2023 Adopted	2023 Amended	2023 Projected	2024 Proposed	Percent Change
Department							
70 Water Operations	3,327,676	3,584,674	3,915,855	3,915,855	3,926,089	4,740,051	21.05%
75 Sewer Operations	2,452,812	2,975,508	5,929,517	5,929,517	5,869,425	4,979,057	-16.03%
85 Utility Administration	385,059	1,301,848	920,829	920,829	914,116	1,067,616	15.94%
90 Utility Billing	503,606	566,233	637,955	637,955	732,351	884,940	38.72%
Expenditures before transfers	6,669,153	8,428,263	11,404,156	11,404,156	11,441,981	11,671,664	2.35%
Transfers Out	3,318,583	4,195,547	3,946,044	6,946,044	6,946,044	4,444,352	-36.02%
Total Expenditures	9,987,736	12,623,810	15,350,200	18,350,200	18,388,025	16,116,016	-12.18%



WATER DEPARTMENT

The Water Operations department is responsible for the repair, maintenance, and rehabilitation of the water lines within the distribution system, as well as the associated pump stations and water storage tanks. Water is provided to the citizens of Fate from the North Texas Municipal Water District, which uses Lake Lavon as a primary water source.

Core Values

- Support and enhance the quality of life for Fate citizens by:
- Providing excellent customer service in the field in a timely, efficient, and professional manner.
- Consistently providing quality water services with minimal interruptions.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Assistant Public Works Director	1.0	-	-
Utilities Manager	-	-	-
Utilities Technician	3.0	3.0	3.0
Meter Technician	1.0	1.0	1.0
Total FTE's	5.0	4.0	4.0

FY 2023 ACHIEVEMENTS

- * Completed installation of over 300 new registers to the AMI system.
- * Continued to comply with Texas Commission on Environmental Quality (TCEQ) sampling and reporting guidelines. Added the Environmental Protection Agency (EPA) Unregulated Contaminant Monitoring Rule 4 (UCMR4) testing requirement to our sampling plan and increased daily and monthly sampling to match population growth. Lead and Copper testing begins in June of 2023.
- * Monitored and enforced water restrictions following NTMWD guidelines.
- * Repaired leaks and main breaks in a timely manner to prevent water loss.
- * Implemented the TCEQ Revised Total Coliform Rule, including nitrification testing and plan. UCMR 5 Testing. Sampling begins in September of 2023.
- * Updated utility system maps, to include new development and lines information that will be used in the development of the new Cardiograph work order management system.
- * Additional Utilities were brought to the Fate Food Haul in Downtown.
- * Continued training staff on equipment operation and trench safety.
- * Training continues on the new work order management system. Data collection is now complete.

FY 2024 INITIATIVES

- * Continue to deliver safe drinking water to the residents of Fate.
- * Assist in design of the new Pump Station #3 and Public Works facility.
- * Conduct main line and service line repairs in a safe and timely manner.
- * Project management of the new Pump Station #3 facility.
- * Plan for future water system expansion, Pump station #2.
- * Renovate and add utilities to new Public Works facility.
- * Take over the ROW permits and inspections for the city.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	Water calls received on after hours on call system	125	140	150
		Service outages due to construction, nature, or system failure	20	16	20
		Test Water Quality of 365 Days per year for compliance	100%	100%	100%
		Number of new accounts	705	500	600
	Proactively Maintain and Improve Existing and New Infrastructure	Number of utility line failures	9	6	6

Expenditures 810-70

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	88,955	102,410	-	-	1,880	-
51020	Operational	111,574	136,475	159,738	159,738	154,835	182,767
51030	Longevity Pay	1,013	550	190	190	190	510
51040	Employee Merit	1,000	1,000	800	800	800	800
51070	Overtime	11,308	10,001	-	-	-	-
51100	FICA	16,990	18,961	12,296	12,296	12,407	14,082
51110	Retirement	11,043	25,815	16,507	16,507	16,611	18,610
51119	HRA Card Expense	23,763	24,214	20,580	20,580	20,580	20,580
51120	Employee Health Care Cost	28,299	30,699	32,091	32,091	31,144	35,696
51121	Dental Insurance	1,651	1,704	1,520	1,520	1,428	1,513
51122	Life & Disability Insurance	1,422	1,411	1,064	1,064	973	845
51140	Worker's Comp. Insurance	6,070	4,614	4,085	4,085	3,273	4,613
	Total Salary & Benefits	303,088	357,853	248,871	248,871	244,121	280,016
52010	Office Supplies	471	722	750	750	750	750
52011	Postage	49	111	50	50	50	50
52020	Printing	-	65	800	800	800	800
52030	Office Equip/Furniture/Fixture	-	791	150	150	150	150
52031	IT Equipment	-	2,851	3,310	3,310	-	3,310
52040	Janitorial	-	144	200	200	200	200
52050	Motor Vehicle Fuel	10,680	22,025	11,000	11,000	25,000	11,000
52060	Minor Tools & Equipment	5,742	5,965	6,000	6,000	10,000	10,000
52070	Food	-	385	300	300	500	300
52090	Wearing Apparel	3,569	3,098	7,600	7,600	3,600	7,600
52100	Water Distribution Supplies	197,062	204,434	260,000	260,000	280,000	260,000
52120	Chemicals	2,118	2,891	3,000	3,000	3,000	3,000
52130	Landscaping Supplies	-	202	1,000	1,000	1,000	1,000
	Total Supplies	219,691	243,685	294,160	294,160	325,050	298,160
53010	M/R Buildings/Structures	387	1,235	3,000	3,000	150	3,000
53040	M/R Motor Vehicles	4,067	3,940	2,500	2,500	4,100	7,500
53050	M/R Equip/Machinery	7,582	861	6,000	6,000	4,000	6,000
53090	M/R Water & Wastewater Mains	23,965	14,903	25,000	25,000	25,000	25,000
53100	M/R Meter Taps & Srv Connects	722	7,914	1,500	1,500	4,000	1,500
53105	M/R Pump Station Repair	33,090	57,563	50,000	50,000	50,000	50,000
	Total Maintenance & Repairs	69,813	86,417	88,000	88,000	87,250	93,000

Expenditures 810-70 (continued)							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
54000	NTMWD Water Contract	2,460,530	2,535,671	3,052,037	3,052,037	3,052,037	3,822,617
54010	Communications	3,759	3,709	3,522	3,522	3,522	3,522
54020	Electricity	59,927	69,458	80,000	80,000	75,000	80,000
54030	Software Costs & IT Support	-	-	18,000	18,000	-	18,000
54040	Lease/Rental of Equipment	68	-	500	500	500	500
54041	Vehicle Lease Payment	29,362	32,352	37,400	37,400	51,771	51,771
54045	Lease/Rental of Real Property	4,196	3,975	8,334	8,334	8,334	8,334
54050	Insurance - Liab. & Property	12,557	16,414	12,729	12,729	16,149	19,729
54100	Fees & Permits	11,552	15,925	11,652	11,652	18,000	11,652
54130	Training & Travel	3,126	1,189	5,000	5,000	3,000	5,000
54140	Membership Dues	-	-	250	250	250	250
54165	Contract Services	20,631	21,879	27,500	27,500	27,500	27,500
54200	Lab Services	1,853	1,720	20,000	20,000	5,000	20,000
	Total Contractual	2,607,561	2,702,291	3,276,924	3,276,924	3,261,063	4,068,875
55100	Incentive to Developer	-	105,000	-	-	-	-
55210	Disaster Events	28,260	-
	Total Miscellaneous Charges	28,260	105,000	-	-	-	-
56040	Capital Purchase Mach & Equip	99,265	89,428	7,900	7,900	8,605	-
	Total Capital Outlay	99,265	89,428	7,900	7,900	8,605	-
TOTAL WATER DEPT.		3,327,678	3,584,674	3,915,855	3,915,855	3,926,089	4,740,051

SEWER DEPARTMENT

The Sewer Operations department is responsible for the repair, maintenance, and rehabilitation of the sewer line, as well as the sewer lift stations. The city utilizes the North Texas Municipal Water District for wastewater treatment services. The NTMWD regional wastewater treatments plants are designed, constructed, and operated using wastewater technology to protect water resources.

Core Values

Provide excellent customer service in the field in a timely, efficient, and professional manner.
Consistently provide quality sewer services with minimal interruptions.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Utilities Technician	4.0	4.0	4.0
Total FTE's	4.0	4.0	4.0

FY 2023 ACHIEVEMENTS

- * Performed routine jetting of sewer mains. Focus on DT Fate business district.
- * Replaced portions of wastewater mains causing blockages.
- * Work with staff on detailed lift station preventative maintenance, review new pumps as needed to improve performance, added SCADA points to the sites.
- * Coordinate with NTMWD on multiple projects: Sabine Creek, Parker Creek interceptor, manhole rehabilitation project.
- * Continue working with NTMWD on sewer system study. Including expansion of Sabine creek.
- * Completed SCADA system upgrades for all lift stations, work is in progress.
- * Completed the cleaning & inspection of large sewer trunk lines with NTMWD.
- * Training continues the new work order management system.
- * Perform routine inspections of Grease trap contracts for compliance. Notify Building safety of findings.

FY 2024 INITIATIVES

- * Work with NTMWD on a sewer study for future city and county growth and the 7 MGD plant upgrade for Sabine Creek plant.
- * Establish a cleaning and video program to identify problem areas. Part of a CMOM program to include I&I on manholes throughout the city.
- * Continue monitoring progress on the Parker Creek Sanitary system upgrades.
- * Assist with renovations of the Public Works Facility.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	Waste water calls received on after hours on call system	125	140	150
		SWPP notifications issued due to non compliance	32	35	32
		Increased number of accounts	705	720	500
	Proactively Maintain and Improve Existing and New Infrastructure	Number of line failures	7	9	9

Expenditures 810-75

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51020	Operational	89,417	90,411	157,314	157,314	127,792	173,431
51030	Longevity Pay	-	100	260	260	100	225
51040	Employee Merit	275	400	800	800	400	800
51070	Overtime	5,888	4,747	-	-	-	-
51100	FICA	7,215	7,367	12,116	12,116	10,158	13,346
51110	Retirement	2,444	9,993	16,265	16,265	13,658	17,637
51119	HRA Card Expense	12,449	12,854	20,580	20,580	17,796	20,580
51120	Employee Health Care Cost	14,360	15,872	32,091	32,091	25,436	33,548
51121	Dental Insurance	840	905	1,520	1,520	1,234	1,513
51122	Life & Disability Insurance	548	570	1,052	1,052	827	825
51130	Employee Testing	-	-	400	400	-	-
51140	Worker's Comp. Insurance	1,961	2,967	4,025	4,025	2,216	4,372
	Total Salary & Benefits	135,397	146,186	246,423	246,423	199,617	266,277
52010	Office Supplies	26	483	500	500	500	500
52030	Office Equip/Furniture/Fixtures	-	425	-	-	-	-
52050	Motor Vehicle Fuel	4,543	6,286	10,000	10,000	10,000	10,000
52060	Minor Tools & Equipment	1,684	2,779	6,000	6,000	6,000	10,000
52070	Food	15	92	300	300	300	300
52090	Wearing Apparel	2,531	1,452	5,250	5,250	5,250	5,250
52110	Wastewater Collect Supplies	490	1,491	1,500	1,500	1,500	3,000
52120	Chemicals	1,869	1,561	4,000	4,000	4,000	4,000
	Total Supplies	11,158	14,569	27,550	27,550	27,550	33,050
53040	M/R Motor Vehicles	1,465	1,862	5,000	5,000	5,000	7,500
53050	M/R Equip/Machinery	4,000	3,551	7,000	7,000	7,000	7,000
53090	M/R Water & Wastewater Mains	660	1,039	2,500	2,500	2,500	2,500
53100	M/R Meter/Taps & Swr Connects	-	234	5,000	5,000	5,000	5,000
53110	M/R Lift Stations	17,801	67,323	17,000	17,000	17,000	17,000
	Total Maintenance & Repairs	23,926	74,009	36,500	36,500	36,500	39,000

Expenditures 810-75 (continued)							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
54010	Communications	3,759	4,369	3,558	3,558	3,558	3,558
54020	Electricity	11,152	10,239	10,000	10,000	10,000	10,000
54030	Software Costs & IT Support	9,950	620	4,000	4,000	4,000	4,000
54040	Lease/Rental of Equipment	-	-	2,000	2,000	2,000	2,000
54041	Vehicle Lease Payments	50,361	46,131	69,558	69,558	54,396	58,736
54045	Lease/Rental of Real Property	4,196	3,975	8,334	8,334	8,334	8,334
54050	Insurance - Liab. & Property	3,466	3,718	5,156	5,156	7,032	9,856
54130	Training & Travel	639	700	1,500	1,500	1,500	1,500
54165	Contract Services	6,765	3,040	14,000	14,000	14,000	89,000
	Total Contractual	90,288	72,791	118,106	118,106	104,820	186,984
55100	Incentive to Developer	-	75,000	-	-	-	-
55210	Disaster Events	3,662	-	-	-	-	-
55350	Sabine Creek WW Plant Debt	1,685,197	1,563,699	1,684,078	1,684,078	1,684,078	1,303,588
55351	Sabine Creek WW Plant Expansion	-	471,768	3,180,628	3,180,628	3,180,628	2,513,008
55355	Parker Creek WW Line Debt	403,896	319,514	378,127	378,127	378,127	373,885
55356	Parker Creek WW Line Debt Ph2	99,289	237,481	258,105	258,105	258,105	263,265
55400	Bad Debt Expense	-	491	-	-	-	-
	Total Miscellaneous Charges	2,192,044	2,667,953	5,500,938	5,500,938	5,500,938	4,453,746
56040	Capital Purchase Mach & Equip	-	-	-	-	-	-
	Total Capital Outlay	-	-	-	-	-	-
TOTAL WASTEWATER DEPT.		2,452,813	2,975,508	5,929,517	5,929,517	5,869,425	4,979,057

UTILITY ADMINISTRATION DEPARTMENT

The Utility Administration department is responsible for the coordination, management and oversight of water, sewer, street, storm water, reconstruction development, sign, and signal maintenance. The department also provides oversight and inspection of all public works construction activities.

Core Values

- Ensure responsiveness through:
- Integrity
- Providing consistently accurate information, expertise, and enhanced competency in all City operations.
- Supporting collaborative efforts.
- Implementing teamwork.
- Consistently provide quality water and sanitary Sewer services with minimal interruptions.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Director of Public Works	1.0	1.0	1.0
Assistant Director of Public Works	-	1.0	1.0
Engineer	1.0	1.0	1.0
Public Works Manager	-	1.0	1.0
Public Works Administrative Assistant	1.0	1.0	1.0
Total FTE's	3.0	5.0	5.0

FY 2023 ACHIEVEMENTS

- * Development/oversight of the street maintenance program, update progress annually.
- * Working on the Melody Ranch drainage improvement project.
- * 50/50 sidewalk/Curb Replacement Program.
- * Assisted with development of the Storm Water and Drainage master plans.
- * Updated the Water Monitoring program.
- * Completed the water conservation program, submitted to TCEQ. Update progress annually.
- * Completed TCEQ audit for MS4 program. Update progress annually.
- * Completed projects within budget limits and guidelines.
- * Continued to provide safe clean drinking water with minimal interruption.
- * Completed signal at HWY 66/ Woodcreek Blvd. Final signage and poles will be installed before year end.
- * Continue oversight of the Waste Management contract.
- * Completed the relocation of utilities under IH 30.
- * Assisted with Bond Project management.
- * Assisted with launching the new Work order management system.
- * Assisted with bidding the SCADA system upgrade project, continue to monitor the upgrades.
- * Worked on design, development, bidding, and Project management for Pump Station #3.

FY 2024 INITIATIVES

- * Oversee the relocation of utilities along IH30 for the TXDOT highway expansion.
- * Begin the process of development for a CMOM sanitary system program.
- * Evaluate and update the water management plan for the City to include the new TCEQ revised rules for sampling, EPA regulations, new water quality standards. Including the new UCMR 5 testing.
- * Oversee the wastewater feasibility study with partnered cities for future growth. Continue to monitor NTMWD projects for progress. This has now progressed into the Sabine Creek treatment site upgrade.
- * Oversee the new wastewater master plan working with Kimley-Horn.
- * Assist with Management of the new Pump Station #3 project.
- * Oversee the project approved in the 2021 Fate Road Bond program.
- * Oversee projects approved with city surplus fund for both road /wastewater improvements.
- * Assist with construction management for Pump Station #3, and Public Works facility.

Expenditures 810-85							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	110,896	118,614	125,427	125,427	125,500	135,739
51020	Operational	32,135	114,423	299,526	299,526	296,442	323,966
51030	Longevity Pay	195	333	863	863	968	1,398
51040	Employee Merit	400	600	1,000	1,000	1,000	1,000
51070	Overtime	42	31	-	-	-	-
51090	Auto Allowance	-	6,000	6,000	6,000	6,000	6,000
51100	FICA	10,715	18,178	33,110	33,110	32,324	35,810
51110	Retirement	14,997	24,688	44,450	44,450	43,898	47,325
51119	HRA Card Expense	9,394	14,519	25,725	25,725	23,948	25,725
51120	Employee Health Care Cost	13,752	19,669	39,293	39,293	41,070	49,820
51121	Dental Insurance	626	995	1,900	1,900	1,695	1,891
51122	Life & Disability Insurance	782	1,251	2,357	2,357	1,932	2,031
51140	Worker's Comp. Insurance	364	527	4,887	4,887	4,067	5,490
	Total Salary & Benefits	194,298	319,827	584,538	584,538	578,844	636,195
52010	Office Supplies	1,100	126	500	500	500	500
52011	Postage	-	-	50	50	50	50
52020	Printing	67	130	500	500	500	500
52030	Office Equipment/Furniture/Fixture	1,796	15,247	-	-	7,579	-
52031	IT Equipment	663	1,947	5,028	5,028	5,028	5,028
52050	Motor Vehicle Fuel	602	692	2,550	2,550	2,550	2,550
52060	Minor Tools & Equipment	66	-	300	300	300	300
52070	Food	579	589	700	700	700	700
52090	Wearing Apparel	-	1,026	1,100	1,100	1,100	1,100
	Total Supplies	4,873	19,757	10,728	10,728	18,307	10,728

Expenditures 810-85 (continued)							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
53010	Building/Structure Repair	-	268	-	-	-	20,000
	Total Maintenance & Repairs	-	268	-	-	-	20,000
54011	Communications-UF	19,961	22,842	18,000	18,000	18,000	18,000
54022	Water & Sewer Service	8,153	9,583	8,000	8,000	8,000	8,000
54030	Software Costs & IT Support	-	2,760	2,550	2,550	2,550	34,550
54031	Software Costs & IT Support -UF	1,999	2,261	6,162	6,162	6,162	6,162
54041	Vehicle Lease Payments	6,992	7,735	11,536	11,536	9,877	9,877
54050	Insurance - Liab & Property	645	726	1,252	1,252	1,465	3,757
54130	Training & Travel	1,014	-	5,000	5,000	5,000	5,000
54140	Membership Dues	475	545	-	-	-	-
54165	Contract Services	1,789	1,467	27,500	27,500	27,500	27,500
54220	Engineering Services	63,005	65,287	45,000	45,000	45,000	95,000
54230	Legal Services	81,856	(3,076)	50,000	50,000	30,000	50,000
54240	Consulting Services	-	6,279	4,463	4,463	47,311	-
54245	General & Admin Expenses	-	1,112	-	-	-	-
	Total Contractual	185,889	117,522	179,463	179,463	200,865	257,846
55600	Contingency	-	-	30,000	30,000	-	142,847
	Total Miscellaneous Charges	-	-	30,000	30,000	-	142,847
56010	Capital - Land Purchase	-	772,377	-	-	-	-
56023	Capital - Building Improvements	-	31,730	-	-	-	-
56090	Capital - Miscellaneous	-	40,366	116,100	116,100	116,100	-
	Total Capital Outlay	-	844,473	116,100	116,100	116,100	-
TOTAL UTILITY ADMIN DEPT.		385,060	1,301,848	920,829	920,829	914,116	1,067,616

UTILITY BILLING DEPARTMENT

The Utility Billing department, working with field personnel, is responsible for the billing and collection for all City utility services, addressing collection and non-payment issues, maintaining City utility account records, addressing billing inquiries, uploading utility records and recording new meter installations.

Core Values

- Provide billing and payment information to customers timely and accurately.
- Develop quality utility programs, provide innovative services and administer them in a friendly and helpful manner.
- Respond to customers' requests quickly and fairly with the intention of providing excellent customer service.
- Increase public awareness of utility procedures through proactive communication with customers.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Utility Billing Supervisor	1.0	1.0	1.0
Utility Billing Clerk	2.0	2.0	2.0
Total FTE's	3.0	3.0	3.0

FY 2023 ACHIEVEMENTS

- * Continued to improve communication between Utility Billing and customers by providing more information on the City's website, bill inserts, phone /text notifications and social media.
- * Completed FY 2024 water and wastewater rate study.
- * Updated trash & recycle interactive route map on the solid waste collection page.
- * Accepted Blackland and Mt. Zion Utilities.
- * Hired and trained a Utility Billing Clerk.

FY 2024 INITIATIVES

- * Continue to improve communication between Utility Billing and customers by providing more information on the City's website, bill inserts, phone/text notifications and social media.
- * Increase efforts to share water-smart programs and resources to promote water conservation.
- * Complete FY 2025 water and wastewater rate study.
- * Update Standard Operating Procedures to reflect Incode 10.
- * Increase customers interests in opting into the in-office bank draft option (auto payments).
- * Promote a Text to Pay option for another convenient payment method for customers.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
COMMUNITY ENGAGEMENT	Quality of Customer Service	Phone calls - this will show a portion of the interaction we have with customers.	15340	15170	15625
SUSTAINABLE INFRASTRUCTURE & SERVICES	Quality of Services Provided	New Services Set Up - this will show the demand and amount of new accounts set up for the city.	2212	1890	1947
		Customer count (Active accounts billed) - this will show the number of accounts we are responsible for, totals will be divided by 3 to reflect the work load of UB staff.	7836 (2612 per UB staff)	8333 (2777 per UB staff)	8583 (2861 per UB staff)

Expenditures 810-90							
		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
51010	Supervision	54,476	58,562	62,134	62,134	62,170	67,243
51020	Operational	69,098	70,871	75,282	75,282	59,538	80,360
51030	Longevity Pay	555	715	645	645	645	675
51040	Employee Merit	600	600	600	600	600	600
51070	Overtime	1,153	1,518	2,000	2,000	2,000	2,000
51080	Contract Labor	3,361	4,043	5,000	5,000	6,730	5,000
51100	FICA	9,564	9,930	10,608	10,608	9,434	11,389
51110	Retirement	13,105	13,634	14,241	14,241	12,668	15,052
51119	HRA Card Expense	15,112	15,430	15,435	15,435	13,995	15,435
51120	Employee Health Care Cost	19,010	21,486	23,247	23,247	19,298	27,846
51121	Dental Insurance	1,003	1,086	1,140	1,140	996	1,135
51122	Life & Disability Insurance	752	831	890	890	726	734
51140	Worker's Comp. Insurance	247	312	322	322	283	342
	Total Salary & Benefits	188,036	199,017	211,544	211,544	189,083	227,811
52010	Office Supplies	819	875	1,603	1,603	1,603	1,763
52011	Postage	528	516	1,241	1,241	1,241	1,303
52020	Printing	-	710	-	-	-	-
52030	Office Equip/Furniture/Fixture	-	-	1,000	1,000	1,000	4,100
52301	IT Equipment	-	-	-	-	-	2,000
52060	Minor Tools & Equipment	-	-	2,860	2,860	2,860	-
52070	Food	19	17	-	-	-	-
52090	Wearing Apparel	60	204	300	300	300	300
52165	COVID-19	755	-	-	-	-	-
	Total Supplies	2,181	2,323	7,004	7,004	7,004	9,466
53020	M/R Office Equipment	-	333	1,000	1,000	1,000	1,000
	Total Maintenance & Repairs	-	333	1,000	1,000	1,000	1,000
54030	Software Costs & IT Support	46,251	34,904	63,121	63,121	63,350	72,727
54050	Insurance - Liab & Property	254	260	-	-	217	300
54095	Credit Cd Merchant Fees	137,981	187,651	173,052	173,052	264,000	311,520
54130	Training & Travel	48	597	1,050	1,050	1,050	1,103
54160	Billing & Collection	44,230	49,089	62,105	62,105	62,105	68,316
54161	Web payment fees	34,886	56,506	63,250	63,250	75,659	124,837
54165	Contract Services	3,503	116	3,500	3,500	3,521	3,500
54210	Accounting & Auditing	14,380	19,068	19,220	19,220	20,380	20,380
54240	Consulting Services	17,672	18,533	12,500	12,500	17,000	16,500
	Total Contractual	299,205	366,723	397,798	397,798	507,282	619,183
55400	Bad Debt Expense	14,358	(2,246)	17,609	17,609	24,982	27,480
55450	Cash over/short	(174)	83				
	Total Miscellaneous Charges	14,184	(2,163)	17,609	17,609	24,982	27,480
56023	Building Improvements	-	-	3,000	3,000	3,000	-
	Total Capital Outlay	-	-	3,000	3,000	3,000	-
TOTAL UTILITY BILLING DEPT.		503,606	566,233	637,955	637,955	732,351	884,940

Fund 880 - Storm Water Fund

This is an operating fund used to account for storm water revenues and drainage projects. Currently the main source of revenue is a transfer from the General Fund.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	99,106	1,091,048	911,553	911,553	911,553	176,973
	Revenues						
46100	Investment Income	1,549	5,319	500	500	15,000	500
	Total Revenues	1,549	5,319	500	500	15,000	500
	Expenditures						
51020	Operational	(45,709)	(48,696)	(51,695)	(51,695)	(51,847)	(55,951)
51030	Longevity Pay	(175)	(235)	(323)	(323)	(323)	(413)
51040	Employee Merit	(200)	(200)	(200)	(200)	(200)	(200)
51070	Overtime	(1,370)	(377)	-	-	-	-
51100	FICA	(3,630)	(3,787)	(3,995)	(3,995)	(4,040)	(4,327)
51110	Retirement	(4,944)	(5,103)	(5,363)	(5,363)	(5,424)	(5,719)
51119	HRA Card Expense	(5,145)	(5,130)	(5,145)	(5,145)	(5,145)	(5,145)
51120	Employee Health Care Cotst	(5,925)	(7,379)	(8,844)	(8,844)	(8,732)	(10,612)
51121	Dental Insurance	(342)	(362)	(380)	(380)	(357)	(357)
51122	Life & Disability Insurance	(282)	(303)	(327)	(327)	(292)	(277)
51140	Workers's Comp Insurance	(1,094)	(2,815)	(2,246)	(2,246)	(2,018)	(2,197)
52031	IT Equipment	-	-	(2,685)	(2,685)	(2,685)	(2,685)
52050	Motor Vehicle Fuel	(1,858)	(4,046)	(8,500)	(8,500)	(8,500)	(8,500)
52060	Minor Tools & Equipment	(3,993)	(14,533)	(2,500)	(2,500)	(2,500)	(2,500)
52090	Wearing Apparel	(438)	(280)	(1,700)	(1,700)	(1,700)	(1,700)
52105	Storm Water Supplies	(1,717)	(1,972)	(10,000)	(10,000)	(10,000)	(10,000)
53040	Motor Vehicle Repair	(210)	(243)	-	-	-	(1,200)
53070	Sidewalk/Culvert/Bridge Repair	(22,300)	-	(25,000)	(25,000)	(25,000)	(25,000)
54011	Communications	(1,020)	(946)	-	-	-	-
54041	Vehicle Lease Payments	(7,938)	(13,056)	(13,056)	(13,056)	(12,385)	(12,385)
54050	Insurance - Liab & Property	(379)	(822)	-	-	-	-
54130	Training & Travel	(635)	(300)	(1,200)	(1,200)	(1,200)	(1,200)
54165	Contract Services	(22,603)	(176,335)	(700,000)	(380,000)	(380,000)	(144,400)
54240	Consulting Services	(4,900)	-	-	-	-	-
56040	Capital - Machinery & Equipment	-	-	(9,340)	(9,340)	(9,340)	-
	Total Expenditures	(136,807)	(286,921)	(852,499)	(532,499)	(531,688)	(294,768)
	Other Revenue & Financing Sources						
47100	Transfers In From General Fund	1,127,200	102,108	102,108	102,108	102,108	132,108
57201	Transfer To Road Maintenance Fund	-	-	-	(320,000)	(320,000)	-
	Total Other Revenue & Financing Sources	1,127,200	102,108	102,108	(217,892)	(217,892)	132,108
	Net Change in Fund Balance	991,942	(179,495)	(749,891)	(749,891)	(734,580)	(162,160)
	Ending Fund Balance	1,091,048	911,553	161,662	161,662	176,973	14,813

STORM WATER DEPARTMENT

The Storm water department is responsible for the maintenance of all storm water drainage systems, MS 4 compliance and construction Storm Water Pollution Prevention Plan (SWPPP) oversight. This includes all TCEQ and EPA compliance and audits.

Core Values

- Support and enhance the quality of life for Fate citizens by:
- Providing Oversight for all Storm Water compliance requirements.
- Continuing to assist with MS4 program, inspections and audits as required.
- Protecting the City from any illicit discharges to creeks and waterways in Fate.

FULL-TIME EQUIVALENTS			
Position	2022	2023	2024
Storm Water Technician	1.0	1.0	1.0
Total FTE's	1.0	1.0	1.0

FY 2023 ACHIEVEMENTS

- * Storm water inspector monitors construction sites daily and reports all conditions that are out of compliance. Citations can be issued if necessary.
- * Completed the MS4 Annual program review and reported to TCEQ per the permit requirements, completed public notifications, reported to council, and updated the web site as necessary.
- * Completed Storm water drainage work on Jeremy/Hailey, North Smith and currently working on the Melody Ranch Drainage improvement project.
- * Currently working with Cardiograph work order management system integration.
- * Completed work order management training.
- * Maintain the city entrance with mowing and sweeping to improve overall city appearance while eliminating trash from entering the cities storm systems and creeks.

FY 2024 INITIATIVES

- * Continue to monitor, document, and inspect city for illicit discharge compliance.
- * Improve MS4 program as required per the permit details.
- * Repair and replace substandard drainage infrastructure.
- * Implement a Storm Water Drainage Fee to increase funding for projects.
- * Clear roadside ditches and clear edges as needed with additional staff.
- * Complete drainage improvement projects as funding becomes available.
- * Develop a storm water 50/50 program with council approval.

PERFORMANCE MEASURES

STRATEGIC PRIORITY	OBJECTIVE	MEASURE	FY22 Actual	FY23 Projected	FY24 Goal
SUSTAINABLE INFRASTRUCTURE & SERVICES	Deliver Excellent Customer Service	SWPP Notifications of Non-Compliance	32	35	30
		Number of service inspections	104	140	110

Fund 890 - Solid Waste Fund

The Solid Waste Fund is an operating fund used to account for solid waste collection, solid waste disposal, and recycling activities. Currently the City contracts these services to an outside vendor. This budget proposes an increase to the solid waste collection rate in order to cover annual Consumer Price Index increases from the vendor.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	100,085	54,933	1,942	1,942	1,942	37,501
	Revenues						
46100	Extra Polycart Fees	37,150	56,850	79,882	79,882	70,800	95,747
45203	Solid Waste & Recycling Fees	1,210,969	1,344,677	1,478,939	1,478,939	1,670,264	2,017,888
45209	New Connection Fees-Garbage	200	325	500	500	100	500
45215	Late Payment Penalty	14,341	17,134	20,000	20,000	20,210	20,000
46100	Investment Income	524	564	500	500	950	1,500
46125	Miscellaneous Income	500	566	500	500	655	500
	Total Revenues	1,263,684	1,420,115	1,580,321	1,580,321	1,762,979	2,136,135
	Expenditures						
52011	Postage	-	-	(2,000)	(2,000)	(500)	(500)
54050	Insurance - Liability & Property	(4)	(5)	-	-	-	-
54165	Contract Services	-	-	-	-	-	-
54190	Solid Waste & Recycling Expense	(1,247,938)	(1,470,354)	(1,721,833)	(1,721,833)	(1,721,833)	(2,093,329)
55400	Bad Debt Expense	(2,514)	(2,747)	(4,000)	(4,000)	(5,087)	(4,200)
	Total Expenditures	(1,250,456)	(1,473,106)	(1,727,833)	(1,727,833)	(1,727,420)	(2,098,029)
	Other Revenue & Financing Sources						
57100	Transfers Out	(58,380)	-	-	-	-	-
	Total Other Revenue & Financing Sources	(58,380)	-	-	-	-	-
	Net Change in Fund Balance	(45,152)	(52,991)	(147,512)	(147,512)	35,559	38,106
	Ending Fund Balance	54,933	1,942	(145,570)	(145,570)	37,501	75,607

NON-OPERATING PROPRIETARY FUNDS

Fund 825 - Water Impact Fund

The Water Impact Fee Fund is used to account for the collection of water impact fees assessed to new residential and commercial construction. The impact fees collected pursuant to this division may be used to finance or to recoup the costs of any capital improvements or facilities expansions identified in the capital improvements plan for the service area, including but not limited to, the construction contract price, surveying and engineering fees, land acquisition costs (including land purchases, court awards and costs, attorney's fees, and expert witness fees), and the fees actually paid or contracted to be paid to an independent qualified engineer or other consultants preparing or updating the capital improvements plan who is not an employee of the city. Impact fees may also be used to pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the city to finance such capital improvements or facilities expansions.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	2,517,289	1,337,233	1,785,982	1,785,982	1,785,982	1,609,741
	Revenues						
45200	Water Impact Fees	1,177,604	1,550,463	2,259,784	2,259,784	2,034,222	2,152,786
46100	Investment Income	7,101	11,521	3,578	3,578	41,000	2,000
	Total Revenues	1,184,705	1,561,984	2,263,362	2,263,362	2,075,222	2,154,786
	Expenditures						
54240	Consulting Services	(2,708)	(523)	(40,000)	(40,000)	(40,000)	(40,000)
55600	Contingency	-	-	(451,956)	(451,956)	-	-
56010	Capital-Land Purchase	(1,778,758)	-	-	-	-	-
56015	Developer Reimbursement	(89,454)	-	(3,085,388)	(3,085,388)	(100,463)	(3,281,227)
56025	Engineering Services	(76,000)	(699,062)	(100,000)	(100,000)	(100,000)	(32,500)
	Total Expenditures	(1,946,920)	(699,584)	(3,677,344)	(3,677,344)	(240,463)	(3,353,727)
	Other Revenue & Financing Sources						
57420	Transfer To WS Capital Proj Fund	-	-	-	-	(1,600,000)	-
57701	Transfers To W&S Debt Serv Fund	(417,841)	(413,650)	(411,000)	(411,000)	(411,000)	(410,800)
	Total Other Revenue & Financing Sources	(417,841)	(413,650)	(411,000)	(411,000)	(2,011,000)	(410,800)
	Net Change in Fund Balance	(1,180,056)	448,749	(1,824,982)	(1,824,982)	(176,241)	(1,609,741)
	Ending Fund Balance	1,337,233	1,785,982	(39,000)	(39,000)	1,609,741	0

Fund 826 - Wastewater Impact Fund

The Waste Water Impact Fee Fund is used to account for the collection of waste water impact fees assessed to new residential and commercial construction. The impact fees collected pursuant to this division may be used to finance or to recoup the costs of any capital improvements or facilities expansions identified in the capital improvements plan for the service area, including but not limited to, the construction contract price, surveying and engineering fees, land acquisition costs (including land purchases, court awards and costs, attorney's fees, and expert witness fees), and the fees actually paid or contracted to be paid to an independent qualified engineer or other consultants preparing or updating the capital improvements plan who is not an employee of the city. Impact fees may also be used to pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the city to finance such capital improvements or facilities expansions.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	4,397,567	5,960,182	7,092,890	7,092,890	7,092,890	6,814,018
	Revenues						
45200	Waste Water Impact Fees	1,906,917	1,812,797	2,259,559	2,259,559	2,071,128	1,807,703
46100	Investment Income	12,899	45,467	10,000	10,000	190,000	50,000
	Total Revenues	1,919,816	1,858,264	2,269,559	2,269,559	2,261,128	1,857,703
	Expenditures						
54240	Consulting Services	(2,709)	(523)	(40,000)	(40,000)	(40,000)	(40,000)
55600	Contingency	-	-	(451,912)	(451,912)	-	-
56015	Developer Reimbursement	-	-	(6,390,441)	(6,390,441)	-	(3,634,037)
56040	Capital-Machinery & Equip	-	-	-	-	-	-
56050	Capital-WW Mains, Stations, Etc.	-	-	-	-	-	-
	Total Expenditures	(2,709)	(523)	(6,882,353)	(6,882,353)	(40,000)	(3,674,037)
	Other Revenue & Financing Sources						
57200	Transfers To Utility Fund	(354,492)	(725,034)	(2,500,000)	(2,500,000)	(2,500,000)	(2,085,867)
	Total Other Revenue & Financing Sources	(354,492)	(725,034)	(2,500,000)	(2,500,000)	(2,500,000)	(2,085,867)
	Net Change in Fund Balance	1,562,615	1,132,708	(7,112,794)	(7,112,794)	(278,872)	(3,902,201)
	Ending Fund Balance	5,960,182	7,092,890	(19,904)	(19,904)	6,814,018	2,911,817

Fund 850 - Water Capital Replacement Fund

This capital projects fund is used to account for transfers from the Utility Fund that will be used for replacement of water-related capital assets.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	820,466	1,747,268	1,756,184	1,756,184	1,756,184	1,666,184
	Revenues						
46100	Investment Income	4,975	8,916	1,000	1,000	10,000	1,000
	Total Revenues	4,975	8,916	1,000	1,000	10,000	1,000
	Expenditures						
56040	Capital-Machinery & Equipment	-	-	-	-	-	(15,575)
56060	Capital-Water Tank	-	-	(100,000)	(100,000)	(100,000)	(100,000)
	Total Expenditures	-	-	(100,000)	(100,000)	(100,000)	(115,575)
	Other Revenue & Financing Sources						
47200	Transfers In From Utility Fund	921,827	-	-	-	-	1,193,572
	Total Other Revenue & Financing Sources	921,827	-	-	-	-	1,193,572
	Net Change in Fund Balance	926,802	8,916	(99,000)	(99,000)	(90,000)	1,078,997
	Ending Fund Balance	1,747,268	1,756,184	1,657,184	1,657,184	1,666,184	2,745,181

Fund 851 - Sewer Capital Replacement Fund

This capital projects fund is used to account for transfers from the Utility Fund that will be used for replacement of sewer-related capital assets. More details are provided in the CIP section of the budget document.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	520,266	1,001,649	1,007,197	1,007,197	1,007,197	817,197
	Revenues						
46100	Investment Income	3,210	5,548	1,000	1,000	10,000	1,000
	Total Revenues	3,210	5,548	1,000	1,000	10,000	1,000
	Expenditures						
56040	Capital-Machinery & Equip	-	-	-	-	-	(70,000)
56050	Capital Purchase WS	-	-	(200,000)	(200,000)	(200,000)	(100,000)
	Total Expenditures	-	-	(200,000)	(200,000)	(200,000)	(170,000)
	Other Revenue & Financing Sources						
47200	Transfers In From Utility Fund	478,173	-	-	-	-	795,714
	Total Other Revenue & Financing Sources	478,173	-	-	-	-	795,714
	Net Change in Fund Balance	481,383	5,548	(199,000)	(199,000)	(190,000)	626,714
	Ending Fund Balance	1,001,649	1,007,197	808,197	808,197	817,197	1,443,911

Fund 853 - Water & Sewer Capital Projects

This proprietary fund accounts for water and sewer capital projects. FY23 and FY24 expenses include construction of Pump Station 3, renovation of the Public Works building and decommissioning of the I30 lift station. More details are provided in the CIP section of the budget document.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	3,028	670,261	3,430,192	3,430,192	3,430,192	10,911,238
	Revenues						
46100	Investment Income	3,281	1,519	11,725	11,725	200,000	75,000
48105	Other Grants	-	-	3,866,204	3,866,204	3,866,204	-
	Total Revenues	3,281	1,519	3,877,929	3,877,929	4,066,204	75,000
	Expenditures						
54165	Contract Services	-	(1,706)	(100,000)	(100,000)	(100,000)	-
56023	Building Improvements	-	-	(175,000)	(175,000)	(175,000)	(150,000)
56050	Capital-Water Mains, Tanks, etc-PS3	-	-	(150,000)	(150,000)	(150,000)	(150,000)
56060	Capital-Water Mains, Tanks, etc-PS3	-	-	(3,700,000)	(3,700,000)	(4,000,000)	(4,416,907)
56060	Capital-Water Mains, Tanks, etc-Ben Payne	-	-	-	-	-	(1,950,000)
	Total Expenditures	-	(1,706)	(4,125,000)	(4,125,000)	(4,425,000)	(6,666,907)
	Other Revenue & Financing Sources						
47100	Transfers In From General Fund	-	-	-	1,439,842	1,439,842	-
47200	Transfers In From Utility Fund	663,952	2,760,118	1,800,000	4,800,000	4,800,000	-
47311	Transfers In From Water Impact Fund	-	-	-	1,600,000	1,600,000	-
	Total Other Revenue & Financing Sources	663,952	2,760,118	1,800,000	7,839,842	7,839,842	-
	Net Change in Fund Balance	667,233	2,759,931	1,552,929	7,592,771	7,481,046	(6,591,907)
	Ending Fund Balance	670,261	3,430,192	4,983,121	11,022,963	10,911,238	4,319,331

Fund 854 - Water Capital Projects Fund - South EST

This proprietary fund accounts for water and sewer impact fee revenues collected for the purpose of servicing debt issued for the construction of the 1.0MG elevated storage tank.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	276,266	427,522	883,561	883,561	883,561	667,873
	Revenues						
45210	Water Impact Fee-Water Storage Tank	193,750	346,250	37,500	37,500	8,750	-
45212	Sewer Impact Fee-Water Storage Tank	196,250	346,250	37,500	37,500	8,750	-
46100	Investment Income	1,981	4,089	1,500	1,500	11,500	1,500
	Total Revenues	391,981	696,589	76,500	76,500	29,000	1,500
	Expenditures						
	Total Expenditures	-	-	-	-	-	-
	Other Revenue & Financing Sources						
57701	Transfers Out To W&S Debt Service	(240,725)	(240,550)	(244,688)	(244,688)	(244,688)	(243,125)
	Total Other Revenue & Financing Sources	(240,725)	(240,550)	(244,688)	(244,688)	(244,688)	(243,125)
	Net Change in Fund Balance	151,256	456,039	(168,188)	(168,188)	(215,688)	(241,625)
	Ending Fund Balance	427,522	883,561	715,373	715,373	667,873	426,248

Fund 855 - Parker Creek Interceptor Fund

This fund is used to account for developer payments received and payments made to the North Texas Municipal Water District for the cost of the Parker Creek Parallel Interceptor.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	1,898,909	1,810,287	2,070,898	2,070,898	2,070,898	1,993,342
	Revenues						
46100	Investment Income	8,751	(932)	10,890	10,890	32,000	20,000
46140	Developer Agreement Fees	-	423,614	-	-	72,582	1,018,649
	Total Revenues	8,751	422,682	10,890	10,890	104,582	1,038,649
	Expenditures						
	Total Expenditures	-	-	-	-	-	-
	Other Revenue & Financing Sources						
57200	Transfers Out to Utility Fund	(97,373)	(162,071)	(182,138)	(182,138)	(182,138)	(182,847)
	Total Other Revenue & Financing Sources	(97,373)	(162,071)	(182,138)	(182,138)	(182,138)	(182,847)
	Net Change in Fund Balance	(88,622)	260,611	(171,248)	(171,248)	(77,556)	855,802
	Ending Fund Balance	1,810,287	2,070,898	1,899,650	1,899,650	1,993,342	2,849,144

Fund 856 - 2022 Series CO Construction Fund

This fund was created in FY22 to deposit proceeds from the 2022 Series Certificates of Obligation bond issue. The proceeds will be spent constructing Pump Station #3. More information regarding this project can be found in the CIP section of the budget document.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	-	-	7,502,593	7,502,593	7,502,593	7,761,872
	Revenues						
46100	Investment Income	-	2,593	-	-	250,000	100,000
46125	Miscellaneous Income	-	-	-	-	9,279	-
	Total Revenues	-	2,593	-	-	259,279	100,000
	Expenditures						
56060	Capital-Water Tanks	-	-	(7,500,000)	(7,500,000)	-	(7,852,593)
	Total Expenditures	-	-	(7,500,000)	(7,500,000)	-	(7,852,593)
	Other Revenue & Financing Sources						
49100	Loan & Bond Proceeds	-	7,230,000	-	-	-	-
49305	Bond Premium Ser 2022 CO	-	349,588	-	-	-	-
55380	Cost of Issuance	-	(79,588)	-	-	-	-
	Total Other Revenue & Financing Sources	-	7,500,000	-	-	-	-
	Net Change in Fund Balance	-	7,502,593	(7,500,000)	(7,500,000)	259,279	(7,752,593)
	Ending Fund Balance	-	7,502,593	2,593	2,593	7,761,872	9,279

DEBT SERVICE AND RESERVE FUNDS



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DEBT SERVICE AND RESERVE FUNDS

OVERVIEW

It is the intent of the City that (1) the debt is issued only for financing capital expenditures, (2) debt is issued only when necessary, (3) the process for identifying the timing and amount of debt or other financing be as efficient as possible, and (4) the most favorable interest and other costs be obtained. There is no Charter provision or ordinance that sets out a debt limit for the City.

General Fund Debt Service Fund Overview

The General Debt Service fund accounts for the accumulation of financial resources for the payment of principal and interest on the City's property tax supported debt.

- In FY 2021, the City issued General Obligation Road Bonds for \$15,000,000. S&P rating AA.
- In FY 2021, the City issued General Obligation Parks Bonds for \$3,250,000. S&P rating AA.
- In FY 2018, the City issued General Obligation Refunding Bonds for \$3,565,000. S&P rating AA.
- In FY 2015, the City issued General Obligation Refunding Bonds to refinance its 2014 Tax Note for \$3,665,000. S&P rating AA.
- In FY 2015, the City issued Combination Tax and Surplus Revenue Certificates of Obligation for \$3,750,000

MDD Fund Debt Service Overview

In FY 2018, the City issued Sales Tax Revenue Bonds for the Municipal Development District #1 Debt for \$1,265,000. Proceeds were used to purchase property in the downtown area.

Water & Sewer Debt Service Fund Overview

The Water and Sewer Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on the City's debt payable from a pledge of surplus revenues of the City's Water and Sewer systems.

- In FY 2022, the City issued Combination & Tax Revenue Certificates of Obligation Bonds for \$7,500,000. Proceeds will be used for construction of Pump Station 3. S&P rating AA.
- In FY 2020, the City issued Waterworks and Sewer System Revenue Refunding Bonds for \$5,270,000. S&P rating AA/A-.

Fund 351 - Governmental Debt Service Fund

The Governmental Debt Service Fund accounts for property tax revenue collected for the purpose of servicing tax-funded debt and the current year's debt service. Detailed information regarding each debt issuance follows in this section of the budget document.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	144,868	143,638	160,817	160,817	160,817	192,917
	Revenues						
41100	Current Roll I&S Prop Tax	673,364	1,796,847	1,807,729	1,807,729	1,807,729	1,815,786
41105	Prior Roll I&S Prop Tax	6,005	5,518	5,000	5,000	6,000	6,000
41110	Prop Tax Penalty & Interest	2,244	4,972	3,000	3,000	3,000	3,000
46100	Investment Income	1,170	2,248	1,200	1,200	14,000	14,000
	Total Revenues	682,783	1,809,585	1,816,929	1,816,929	1,830,729	1,838,786
	Expenditures						
55303	Debt Principal 2015 CO	(55,000)	(60,000)	(61,250)	(61,250)	(61,250)	(63,750)
55304	Debt Principal 2015 GO Refund	(160,000)	(165,000)	(175,000)	(175,000)	(175,000)	(180,000)
55306	Debt Principal 2017 GO Refund	(225,000)	(225,000)	(235,000)	(235,000)	(235,000)	(240,000)
55307	Debt Principal 2021 GO Bond	-	(110,000)	(140,000)	(140,000)	(140,000)	(140,000)
55318	Debt Principal 2021A GO Bonds	-	(375,000)	(430,000)	(430,000)	(430,000)	(450,000)
55333	Debt Interest 2015 CO	(23,550)	(21,825)	(19,891)	(19,891)	(19,891)	(17,703)
55334	Debt Interest 2015 GO Refund	(106,700)	(101,825)	(96,288)	(96,288)	(96,288)	(90,075)
55337	Debt Interest 2017 GO Refund	(112,925)	(106,175)	(99,275)	(99,275)	(99,275)	(92,150)
55338	Debt Interest 2021A GO Bond	-	(537,985)	(483,650)	(483,650)	(483,650)	(461,650)
55339	Debt Interest 2021 GO Bond	-	(88,614)	(57,275)	(57,275)	(57,275)	(54,475)
55360	Paying Agent	(838)	(982)	(1,000)	(1,000)	(1,000)	(1,000)
	Total Expenditures	(684,013)	(1,792,406)	(1,798,629)	(1,798,629)	(1,798,629)	(1,790,803)
	Other Revenue & Financing Sources						
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	(1,230)	17,179	18,300	18,300	32,100	47,983
	Ending Fund Balance	143,638	160,817	179,117	179,117	192,917	240,900

Fund 352 - Fate MDD Debt Service Fund

The MDD Fund transfers, from its sales tax revenues, enough funds to meet annual bond obligations for the 2017 MDD bond issue. Such transfers and debt payments are accounted for in this Fund.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	4,912	5,222	5,373	5,373	5,373	7,163
	Revenues						
46100	Investment Income	310	324	100	100	1,500	1,000
	Total Revenues	310	324	100	100	1,500	1,000
	Expenditures						
55310	Principal-2017 Revenue bond	(120,000)	(125,000)	(130,000)	(130,000)	(130,000)	(130,000)
55320	Interest-2017 Revenue Bond	(31,913)	(27,773)	(23,460)	(23,460)	(23,460)	(18,975)
55360	Paying Agent Fees	(400)	(400)	(400)	(400)	(400)	(400)
	Total Expenditures	(152,313)	(153,173)	(153,860)	(153,860)	(153,860)	(149,375)
	Other Revenue & Financing Sources						
47605	Transfers In From MDD Fund	152,313	153,000	154,150	154,150	154,150	150,000
	Total Other Revenue & Financing Sources	152,313	153,000	154,150	154,150	154,150	150,000
	Net Change in Fund Balance	310	151	390	390	1,790	1,625
	Ending Fund Balance	5,222	5,373	5,763	5,763	7,163	8,788

Fund 353 - MDD Debt Reserve Fund

This fund accounts for the MDD Debt Service Reserve per the 2017 MDD Sales Tax bond issue.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	81,017	81,368	81,783	81,783	81,783	83,283
	Revenues						
46100	Investment Income	351	415	150	150	1,500	1,150
	Total Revenues	351	415	150	150	1,500	1,150
	Expenditures						
		-	-	-	-	-	-
	Total Expenditures	-	-	-	-	-	-
	Other Revenue & Financing Sources						
		-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	351	415	150	150	1,500	1,150
	Ending Fund Balance	81,368	81,783	81,933	81,933	83,283	84,433

Fund 875 - Water & Sewer Debt Service Fund

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	11,986	61,056	20,243	20,243	20,243	33,393
	Revenues						
46100	Investment Income	864	928	500	500	12,900	5,000
	Total Revenues	864	928	500	500	12,900	5,000
	Expenditures						
55303	Debt Principal 2015 CO	(170,000)	(175,000)	(185,000)	(185,000)	(183,750)	(191,250)
55311	Debt Principal 2020 W&S Ref Bond	(220,000)	(255,000)	(260,000)	(260,000)	(260,000)	(265,000)
55319	Debt Principal 2022 W&S Bond	-	-	(215,000)	(215,000)	(220,000)	(260,000)
55321	Debt Interest 2020 Ref Bond	(185,878)	(156,508)	(151,000)	(151,000)	(151,000)	(145,800)
55333	2015 CO WS Interest	(69,469)	(64,894)	(59,688)	(59,688)	(59,688)	(53,125)
55343	Debt Interest 2022W&S Bond	-	(43,526)	(353,800)	(353,800)	(317,205)	(279,600)
55360	Paying Agent Fees	(1,013)	(1,013)	(2,000)	(2,000)	(1,000)	(2,000)
	Total Expenditures	(646,360)	(695,941)	(1,226,488)	(1,226,488)	(1,192,643)	(1,196,775)
	Other Revenue & Financing Sources						
47200	Transfers In From Utility Fund	36,000	-	537,205	537,205	537,205	575,000
47311	Transfers In From Water Impact Fund	417,841	413,650	411,000	411,000	411,000	410,800
47421	Transfer In From EST Fund	240,725	240,550	244,688	244,688	244,688	243,125
	Total Other Revenue & Financing Sources	694,566	654,200	1,192,893	1,192,893	1,192,893	1,228,925
	Net Change in Fund Balance	49,070	(40,813)	(33,095)	(33,095)	13,150	37,150
	Ending Fund Balance	61,056	20,243	(12,852)	(12,852)	33,393	70,543

Fund 876 - Water & Sewer Debt Reserve Fund

This fund accounts for Debt Service Reserves as required by bond covenants.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	428,726	429,655	406,074	406,074	406,074	407,574
	Revenues						
46100	Investment Income	929	(23,581)	1,500	1,500	1,500	1,500
	Total Revenues	929	(23,581)	1,500	1,500	1,500	1,500
	Expenditures						
	Total Expenditures	-	-	-	-	-	-
	Other Revenue & Financing Sources						
47200	Transfers In From Utility Fund	-	-	-	-	-	-
57200	Transfers To Utility Fund	-	-	-	-	-	-
	Total Other Revenue & Financing Sources	-	-	-	-	-	-
	Net Change in Fund Balance	929	(23,581)	1,500	1,500	1,500	1,500
	Ending Fund Balance	429,655	406,074	407,574	407,574	407,574	409,074

COMPONENT UNIT FUNDS



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COMPONENT UNIT FUNDS

Fund 401 - Fate Municipal Development District No. 1

The Fate Municipal Development District No. 1 (MDD) was created in November of 2014 by the voters of the City of Fate to provide sales tax revenue for the purpose of funding a variety of projects as permitted by statute. In recent years the MDD fund has provided funding for the purchase of downtown property and the downtown rehabilitation project. The MDD fund transfers funds to the MDD Debt Service Fund in order to meet obligations from the 2017 bond issue. The budget was approved by the MDD Board on May 9, 2023.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	523,229	212,858	544,030	544,030	544,030	591,380
	Revenues						
41200	Sales Tax Revenue	505,439	746,941	750,000	750,000	806,000	861,000
41201	YE Accrual Sales Tax	34,717	59	-	-	-	-
45165	Commercial Lease Revenue	-	11,650	3,350	3,350	21,900	57,278
46100	Investment Income	1,787	1,542	300	300	11,600	300
	Total Revenues	541,942	760,192	753,650	753,650	839,500	918,578
	Expenditures						
54095	Credit Card Merchant Fees	-	-	-	-	-	(800)
54165	Contract Services	-	(4,200)	(103,000)	(103,000)	(103,000)	(111,240)
54240	Consulting Services	-	(1,820)	(10,000)	(10,000)	(10,000)	(30,000)
56010	Capital - Land Purchase	-	-	-	-	-	(400,000)
56090	Capital - Miscellaneous	-	-	(100,000)	(100,000)	-	-
	Total Expenditures	-	(6,020)	(213,000)	(213,000)	(113,000)	(542,040)
	Other Revenue & Financing Sources						
57410	Transfer to Capital Projects Fund	(700,000)	(270,000)	(525,000)	(525,000)	(525,000)	(450,000)
57703	Transfers To MDD DS Fund	(152,313)	(153,000)	(154,150)	(154,150)	(154,150)	(150,000)
	Total Other Revenue & Financing Sources	(852,313)	(423,000)	(679,150)	(679,150)	(679,150)	(600,000)
	Net Change in Fund Balance	(310,371)	331,172	(138,500)	(138,500)	47,350	(223,462)
	Ending Fund Balance	212,858	544,030	405,530	405,530	591,380	367,918

Fund 403 - Fate Public Facility Corporation Fund

On September 16, 2019, the City Council approved the certificate of formation and bylaws for the Fate Public Facility Corporation under chapter 303 of the Texas Local Government Code. The corporation is organized exclusively for the purpose of assisting the City in the financing, refinancing, owning, or providing public facilities. The corporation is a nonprofit corporation and its earnings after payment of its expenses shall be spent for the benefit of the City.

		2021	2022	2023			2024
		Actual	Actual	Adopted Budget	Amended Budget	Projected Actual	Proposed Budget
	Beginning Fund Balance	98,196.00	98,661	184,475	184,475	184,475	79,525
	Revenues						
46100	Investment Income	465	795	-	-	1,300	500
46135	Developer Contributions	-	85,019	143,750	143,750	143,750	-
	Total Revenues	465	85,814	143,750	143,750	145,050	500
	Expenditures						
		-	-	-	-	-	-
	Total Expenditures	-	-	-	-	-	-
	Other Revenue & Financing Sources						
57410	Transfer to Cap Projects Fund	-	-	(250,000)	(250,000)	(250,000)	(50,000)
	Total Other Revenue & Financing Sources	-	-	(250,000)	(250,000)	(250,000)	(50,000)
	Net Change in Fund Balance	465	85,814	(106,250)	(106,250)	(104,950)	(49,500)
	Ending Fund Balance	98,661	184,475	78,225	78,225	79,525	30,025

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CAPITAL IMPROVEMENT PLAN



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CAPITAL IMPROVEMENT PLAN

OVERVIEW

The Capital Improvement Plan (CIP) is an addition to the City's strategic planning process. It represents the Capital Budget for Fiscal Year 2023-2024 and is a financial plan for infrastructure and other improvements through Fiscal Year 2028. The City recognizes the need for a multi-year CIP to responsibly address the needs of the City and project the amount of funds needed to complete the plan. The CIP reinforces good budgeting decisions for capital outlays and aims to address the City Council strategic priorities:

- Public Safety
- Fiscal Resiliency & Accountability
- Sense of Community
- Sustainable Infrastructure & Services

Capital improvements are defined as assets with an individual cost of more than \$5,000 that have a life expectancy of more than two years. Capital projects may be funded with current revenues, fund balances, debt, special revenue, and grants. In FY 2023-2024, all items on the CIP are significant, non-recurring projects.

The City's operating and capital budgets are prepared annually on a fiscal year basis and adopted by ordinance. The capital budget is prepared by the City Manager with assistance from the CIP Team and involvement of all required City departments. The City uses a five-year budget format beginning with the upcoming budget year and all capital project funds are included in the budget.

There may be numerous worthy projects within the fiscally restrained plan period. Projects will be prioritized based on

- City Council strategic priorities and objectives
- Available funding
- Service and operational impacts
- Regulatory compliance
- Project timing and coordination.

CIP Calendar	
Due Date	Activity
3/9/2023	Kick-off meeting
3/15/2023	Request forms delivered to Departments
4/13/2023	Requests due to Finance
5/10/2023	CIP Budget & 5-Year Plan discussion
6/26/2023	Final review of CIP Budget and 5-Year Plan

Projects are grouped in the following categories:

- Equipment: Improvements and additions to the City’s rolling stock of equipment.
- Land: Land acquisition.
- Parks: Improvements to the City’s parks and recreation system.
- Roads, Signals, and Drainage: Improvements to the City’s roadway system
- Water: Improvements to the water system.
- Sewer: Improvements to the wastewater system.
- General Facilities: Improvements to facilities that do not fall under any other category.

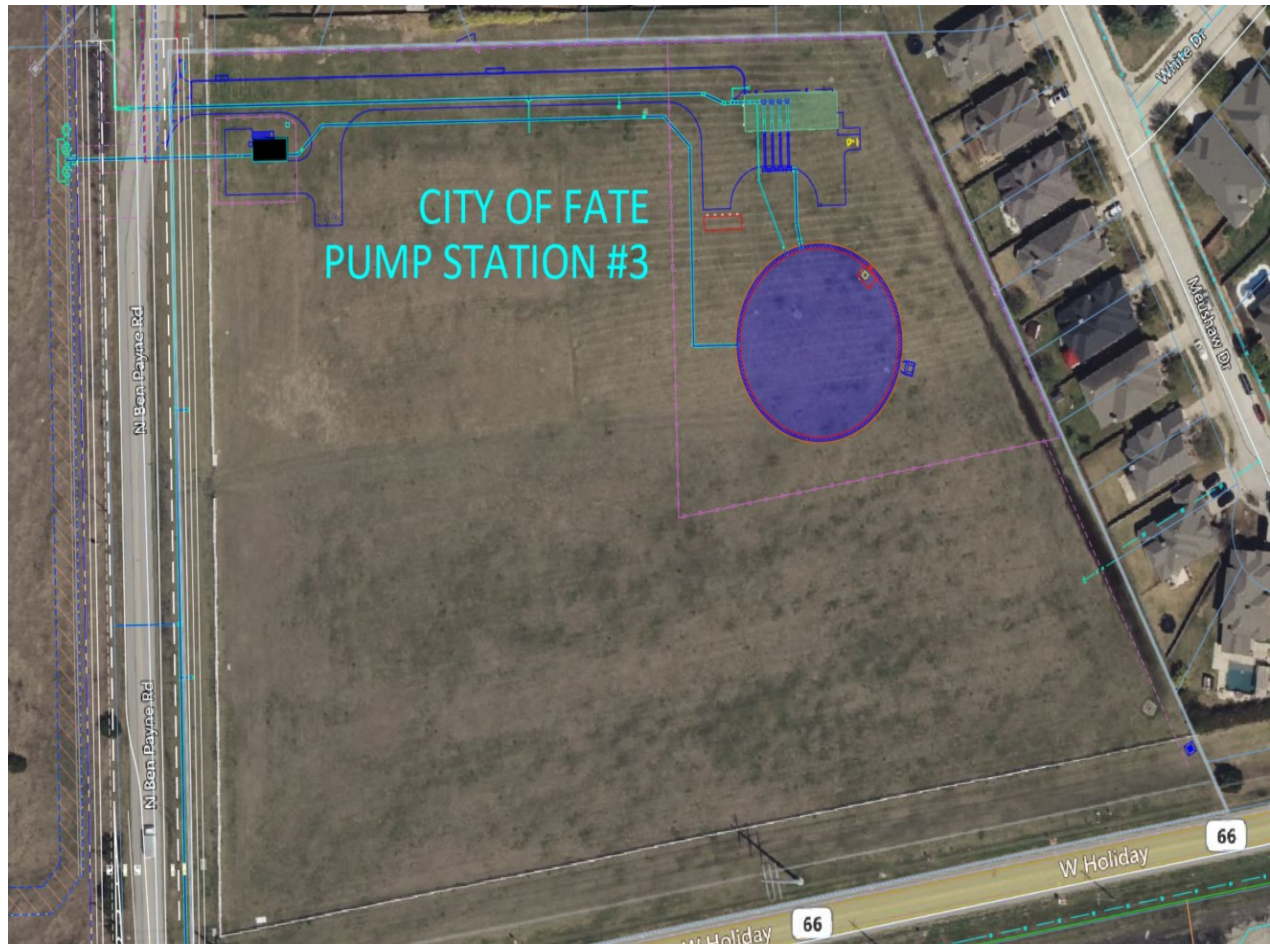
The CIP will be revised annually to accommodate new projects, revise current projects, reflect current City initiatives, and extend the plan for an additional year. The first year of each plan will be incorporated into the budget and funds will be appropriated. Subsequent years are intended for planning purposes and to direct project development. Project scopes and cost estimates will be reviewed and updated on an annual basis.

PROJECT FUNDS		
Governmental Funds	100	General Fund
	201	Road Construction Fund
	202	Capital Project-General
	203	Woodcreek Signals
	206	Capital Replacement Fund
	207	2021 Series GO (Road) Projects Fund
	20X	Proposed Public Safety Bond Project Fund
	401	Fate Municipal Development District
	616	Roadway Impact Fee Fund
	713	Park Development Fund-District C
Proprietary Funds	810	Utility Fund
	825	Water Impact Fund
	850	Water Capital Replacement
	851	Sewer Capital Replacement
	853	Capital Project-Water & Sewer
	856	2022 Series GO (W&S) Project Fund
	880	Storm Water Fund

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

CITY OF FATE FIVE-YEAR CAPITAL IMPROVEMENTS PLAN

FISCAL YEARS
2024 – 2028



PLAN OVERVIEW

To adhere to the Fate City Councils' budget process, we present this Five-Year Capital Improvement Plan for consideration and approval. To help coordinate our efforts, a dedicated committee was assembled to oversee the capital improvement budget process. Department heads aided the committee by providing capital requests for projects they have evaluated and deem necessary to address the demands of a growing population. Once projects are approved by the City Manager it is the committee's job to determine how to best fund approved projects.

Our philosophy remains a "most realistic" approach to current revenues and conditions. Therefore, this year's five-year capital plan considers a continued economic slowdown, rising interest rates, and inflation. North Texas Municipal Water District (NTMWD) undertook bond projects on behalf of the City of Fate and the City of Royse City (our wastewater plant partner) that have been issued and are not in this plan. Wastewater rates were increased in FY23 to help mitigate some of the cost of the upgrade to the Sabine Creek Wastewater Treatment Plant. This budget assumes a transfer from the Wastewater Impact Fund to smooth the increase over a projected five-year period. The new-build housing market decreased early in the year, which affected the revenue received from impact fees. This was a big challenge this year due to the importance of Pump Station 3 funding. This project is needed to follow TCEQ requirements. With all these challenges, we have developed a five-year capital plan (fiscal years 2024-2028) that keeps up with the growth of a booming suburb that requires higher service and amenities.

This CIP includes a proposed bond issuance in FY24 to increase Public Safety services. If approved by voters, the estimated \$21M bond will cover the cost of remodeling an existing facility, purchase land and build a brand-new station, and the purchase of two fire apparatus.

Projects on the approved CIP list are categorized by function and are not listed on a priority basis. They are grouped in the following categories: Equipment, Facilities, Land/Buildings, Parks, Roads and Drainage, Sewer, and Water.

⇒ **Equipment Replacement/Additions**

This is an ongoing replacement or addition program to adequately provide safety and promote work efficiency for citizens and city personnel. Light equipment, such as stabilizer struts and a rescue tool kit for a combined estimate of \$48,000, will enable the fire department to expedite safety measures during vehicle accidents. A new server purchase for \$21,000 will provide additional data backup functionality. Heavy Equipment, such as the Fire Ladder/Pumper Truck, will need replacement at an estimated cost of \$1,500,000 in FY 2025, one more Truck for the new station, and a backhoe excavator to be purchased for \$300,000 in FY 2027. The capital program for equipment (not including lease replacement or growth vehicles) totals \$4,349,707. Additionally, the fleet program with Enterprise has provided a modern fleet with savings from sales of older city-owned vehicles; Fire vehicles, other than administration, are not included in this program.

⇒ **Facilities Projects**

The FY24 budget consists of two remodel projects: the Public Works Facility Remodel at a cost of \$150,000 and the finish out of the third floor of Fate Place Building which the City will be leasing. The CIP also includes future approved projects that are not funded such as the construction of a new DPS/ Fire Station and an addition to the Public Works facility. The capital program for Facility Projects totals \$26,031,058.

⇒ **Land/Building Purchase**

Capital Improvements to purchase property include the former Turner property located downtown Fate at Elmhurst and CB Davidson in the amount of \$400,000 in FY24 and the Blackland property at Highway 66 for approximately \$1,500,000 in FY25. The capital program for Land Purchases has two projects for \$1,900,000.

⇒ **Parks Projects**

An annual parks and trails creation program that implements the Parks, Trails, and Open Space Master Plan and improves public health will continue from the Park Dedication Fee and Park Development Fee revenue sources. It is proposed that the City continue a pay-as-you-go funding system each year and use all available funds annually for trail connection projects, improvements to existing parks, and the addition of new trails and open space per the Park Dedication/Development Fee eligible projects list. Grant sources are continually being applied for, which will be counted toward the City's cost share if successful. The FY24 proposed project is a Trail Bridge at Woodcreek at a cost of \$123,000.

⇒ **Roads and Drainage Projects**

Work continues on projects funded by the \$15M 2021 Road Bond issue. The Woodcreek Boulevard extension and the Riding Club railroad crossing realignment are expected to be finalized in FY24. The Ben Payne Roadway construction and the Gettysburg to Blackland extension are slated for FY25.

The city has increased funding to more than \$1,000,000 annually to slow system and neighborhood roads decline. This is an ongoing pavement management program by the Public Works Department to slow road degradation and improve road assets. This is the most critical component of the City's capital plan. It is proposed that funds be used entirely on a cash basis within each fiscal year for roadwork, transferring any General Fund surpluses into the Capital Replacement Fund after the close of the fiscal year, then removing any excess amounts from the fund in future years during the budget process for road repair efforts above the \$1,000,000 in level annual efforts.

A component of the ongoing pavement management program is concrete work. This includes the 50/50 sidewalk program where homeowners can request up to 50% of the cost of the work to repair or replace a sidewalk be paid for and undertaken by the city. Annual operating costs are attributed to staff for contract management at more than \$10,000.

Two traffic signals are expected to be installed in FY 2024 to address the anticipated traffic based on traffic impact assessments. TxDOT will install these, but the city will supply equipment at an approximate cost of \$50,000 each. The two proposed signals will be at Ben Payne and Hwy 66 and the relocation of the existing signal at Hwy 66 and FM 1138.

There are two stormwater projects for \$7,116,000. Most of the proposed expense is for downtown drainage improvements which are projected to take place in FY27 and FY28.

The capital program for Road and Drainage projects has eight projects totaling \$18,540,742.

⇒ **Sewer Projects**

There are three sewer projects for \$780,000. These projects consist of small wastewater projects that will seek to improve points of problems in the older system along with other more aggressive maintenance activities all over the city requested by NTMWD, TCEQ, and EPA. Additionally, there is a lift station rehabilitation and one lift station decommission. As previously mentioned, this plan does not include the cost of upgrading the Sabine Creek Wastewater Treatment Plant from 3MGD to 7MGD. This project has been funded by NTMWD bonds with the City's share estimated at around 67% of the total cost or an additional \$2.4M per year.

⇒ **Water Projects**

Small water projects are anticipated as part of system extensions, maintenance, connections, or replacements. The projects' total cost is \$500,000, with \$100,000 proposed to be used annually.

New water projects are anticipated as part of system extensions and upsizing per the list of projects on the Water Impact Fee map, and inventory, and include existing system improvements for fire flow or low pressure as needed. Projects are being vetted hard and dropped from consideration unless we begin to see system pressure issues. The City can always raise water rates and divert funds into new water capital projects. Still, rates are already high. We created a capital replacement fund for water and sewer, which minimizes future debt needs. However, in recent years, funds have been diverted to the Water and Sewer Capital Projects Fund for the Pump Station 3 project.

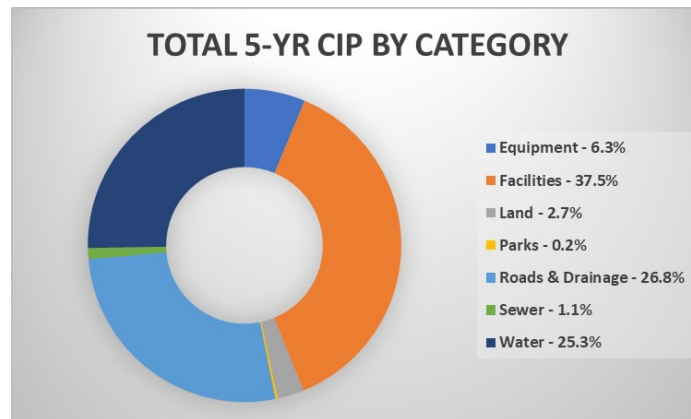
The capital program for Water projects has four projects for \$17,502,000. This program includes construction of Pump Station 3. Once pumping capacities through the existing NTMWD water take points are maxed out, and the City is required to have another take point and contract, Pump Station 3 will be needed to handle any new growth. A new contract was entered into in FY23. Design plans are 100% complete. Engineering cost in the amount of \$796,000 is estimated to be spent in FY 2023 and an additional \$100,000 for construction management in FY 2024. The cost for construction of the pump station is \$18,137,000. The notice to proceed for Pump Station 3 has been issued with a start date of June 19, 2023.

FY 2023-2024 CAPITAL IMPROVEMENT PLAN									
Project Name	Page No.	Fund Name	Fund	Prior Years	Prior Years Project % Completed	Proposed Budget FY 2024		Project Total	Projected Annual Operating Budget
						Governmental Funds	Proprietary Funds		
Audio, Voting System, Server, and Switches	156	General Fund	100			21,000		21,000	
DPS-Fire-Rescue Tool Kit	157	General Fund	100			32,000		32,000	
DPS-Fire-Stabilizer Struts	158	General Fund	100			16,000		16,000	
Laserfiche	159	General Fund	100			29,835		29,835	
ADA Projects	160	General Fund	100			15,000		15,000	
Asphalt Repair	161	Road Construction Fund	201			800,000		800,000	40,000
Street/Alley Repair	162	Road Construction Fund	201			200,000		200,000	10,000
MDD Building 3rd Floor Finish Out	163	Capital Projects - General	202			1,324,058		1,324,058	175,000
MDD Building 3rd Floor Finish Out-Design	163	Capital Projects - General	202			20,000		20,000	
MDD Building 3rd Floor Finish Out - Furn/Equip	163	Capital Projects - General	202			300,000		300,000	
Traffic Signal Equipment - TxDOT Install	164	Woodcreek Signals	203			50,000		50,000	2,500
Contingency Projects-Roads	n/a	2021A GO Road Bond	207			1,000,000		1,000,000	
Gettysburg to Blackland Ext Rd	165	2021A GO Road Bond	207	115,633	16.29%	594,367		710,000	29,718
Riding Club East Railroad Crossing Realignment	166	2021A GO Road Bond	207	565,000	66.08%	290,010		855,010	14,501
Woodcreek Blvd Ext	167	2021A GO Road Bond	207	4,190,000	80.02%	1,046,165		5,236,165	52,308
MDD Land Purchase (Former Turner property)	168	Fate Municipal Dev District	401			400,000		400,000	
Ben Payne Rd-Roadway	169	Roadway Impact Fee Fund	616	164,000		1,500,000		1,664,000	83,200
Trail Bridge at Woodcreek	170	Park Development Fund - Dist C	713			123,000		123,000	1,230
Pump Station #3 - Design	171	Water Impact Fee Fund	825	796,000	96.08%		32,500	828,500	608,475
Water Small Projects	172	Water Capital Replacement	850				100,000	100,000	5,000
Skid Steer Loader	173	Sewer Capital Replacement	851				70,000	70,000	3,500
WasteWater Small Projects	174	Sewer Capital Replacement	851				100,000	100,000	
Ben Payne 20 inch Waterline	175	Capital Projects - W/S	853				1,200,000	1,200,000	50,000
Decommission I-30 Lift Station	176	Capital Projects - W/S	853				150,000	150,000	
Hurco SD800 Valve Exerciser Trailer	177	Capital Projects - W/S	853				15,575	15,575	779
N. Ben Payne-Waterline	178	Capital Projects - W/S	853				750,000	750,000	37,500
Pump Station #3 - Construction	171	Capital Projects - W/S	853	4,000,000			4,416,907	8,416,907	
PW New Improvements - Facility	179	Capital Projects - W/S	853	175,000	53.85%		150,000	325,000	7,500
Pump Station #3 - Construction	171	2022 CO Project Bond	856				7,752,593	7,752,593	
Storm Water Projects	180	Storm Water Fund	880				100,000	100,000	5,000
TOTAL				10,005,633		7,761,435	14,837,575	32,604,643	1,126,211

FIVE-YEAR CAPITAL IMPROVEMENT PLAN									
Project Name	Fund	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	Project Total	Type
Audio, Voting System, Server, and Switches	100		21,000	157,315	12,500			190,815	Equipment
DPS-Fire-Stabilizer Struts	100		16,000					16,000	
DPS-Fire-Rescue Tool Kit	100		32,000					32,000	
Laserfiche	100		29,835					29,835	
Skid Steer Loader	100			70,000				70,000	
MDD Building 3rd Floor Finish Out - Furn/Equip	202		300,000					300,000	
Traffic Signal Equipment - TxDOT Install	203		50,000	50,000	12,482			112,482	
DPS-Fire-Aerial Apparatus	20X			3,000,000				3,000,000	
DPS/Fire-FM 551; Furniture/Equipment	20X			100,000				100,000	
Forklift	810			15,000				15,000	
Bypass Pump	810				80,000			80,000	Facilities
Backhoe Excavator	810					300,000		300,000	
Skid Steer Loader	851		70,000					70,000	
Hurco SD800 Valve Exerciser	853		15,575					15,575	
24' Equipment/Vehicle Trailer - 6" Channel	880						18,000	18,000	
Community Center Remodel	100			20,000				20,000	
UB/CT Window Upgrade	100			20,000				20,000	
ADA Projects	100		15,000					15,000	
MDD Building 3rd Floor Finish Out	202		1,324,058					1,324,058	
MDD Building 3rd Floor Finish Out-Design	202		20,000					20,000	
DPS/Fire-FM 551; Remodel	20X			750,000				750,000	Land
DPS/Fire Station	20X			1,000,000	14,000,000			15,000,000	
MDD Improvements at Elmhurst/CB Davidson	401			32,000	3,200,000			3,232,000	
PW New Improvements - Facility	853	175,000	150,000					325,000	
PW New Facility - Building Addition	853			500,000	5,000,000			5,500,000	
DPS/Fire-Blackland Land Purchase	20X			1,500,000				1,500,000	
MDD Land Purchase (Former Turner property)	401		400,000					400,000	
YMCA Program Support	100			20,000		20,000		40,000	
BTR Trail Bridge	713		123,000					123,000	
Street/Alley Repair	201		200,000	200,000	200,000	200,000	200,000	1,000,000	Roads & Drainage
Asphalt Repair	201		800,000	800,000	800,000	800,000	800,000	4,000,000	
Contingency Projects-Roads	207		1,000,000					1,000,000	
Woodcreek Blvd Ext	207	4,190,000	1,046,165					5,236,165	

FIVE-YEAR CAPITAL IMPROVEMENT PLAN									
Project Name	Fund	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28	Project Total	Type
Riding Club East Railroad Crossing Realignment	207	565,000	290,010					855,010	Roads & Drainage
Gettysburg to Blackland Ext Rd	207	115,633	594,367	1,494,200				2,204,200	
Ben Payne Rd-Roadway	616	164,000	1,500,000	500,000				2,164,000	
Storm Water Projects	880		100,000					100,000	
Downtown Drainage Projects	206						3,508,000	3,508,000	Sewer
	850					1,116,000		1,116,000	
	851						200,000	200,000	
	853						2,192,000	2,192,000	
WasteWater Small Projects	851		100,000	100,000	100,000	100,000	100,000	500,000	Water
Baxter Lift Station Rehab	851			130,000				130,000	
Decommission I-30 Lift Station	853		150,000					150,000	
Pump Station #3 - Design	825	796,000	32,500					828,500	
Water Small Projects	850		100,000	100,000	100,000	100,000	100,000	500,000	
Ben Payne 20 inch Waterline	853		1,200,000					1,200,000	
N. Ben Payne-Waterline	853		750,000	850,000				1,600,000	
Pump Station #3 - Construction	853	4,000,000	4,416,907	2,000,000				10,416,907	
	856		7,752,593					7,752,593	
TOTAL		10,005,633	22,599,010	13,408,515	23,504,982	2,636,000	7,118,000	79,272,140	

TOTAL CIP BY CATEGORY						
Category	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
Equipment	534,410	3,392,315	104,982	300,000	18,000	4,349,707
Facilities	1,509,058	2,322,000	22,200,000	-		26,031,058
Land	400,000	1,500,000				1,900,000
Parks	123,000	20,000		20,000		163,000
Roads & Drainage	5,530,542	2,994,200	1,000,000	2,116,000	6,900,000	18,540,742
Sewer	250,000	230,000	100,000	100,000	100,000	780,000
Water	14,252,000	2,950,000	100,000	100,000	100,000	17,502,000
Total	22,599,010	13,408,515	23,504,982	2,636,000	7,118,000	69,266,507





TOTAL CIP BY FUND						
Fund	FY2024	FY2025	FY2026	FY2027	FY2028	TOTAL
100	113,835	287,315	12,500	20,000		433,650
201	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
202	1,644,058					1,644,058
203	50,000	50,000	12,482			112,482
206					3,508,000	3,508,000
207	2,930,542	1,494,200				4,424,742
20X		6,350,000	14,000,000			20,350,000
401	400,000	32,000	3,200,000			3,632,000
616	1,500,000	500,000				2,000,000
713	123,000					123,000
810		15,000	80,000	300,000		395,000
825	32,500					32,500
850	100,000	100,000	100,000	1,216,000	100,000	1,616,000
851	170,000	230,000	100,000	100,000	300,000	900,000
853	6,682,482	3,350,000	5,000,000		2,192,000	17,224,482
856	7,752,593					7,752,593
880	100,000				18,000	118,000
Total	22,599,010	13,408,515	23,504,982	2,636,000	7,118,000	69,266,507

FY 2023 - 2024 CAPITAL PLAN PROJECT DETAILS



IT Equipment

Project Number [For Finance use]	Department	Category	Strategic Initiative:						
	IT	Equipment	Sustainable Infrastructure & Services						
Description and Reason for the Project/Equipment			Impact on Operating Budget						
			Category	2024	2025	2026	2027	2028	
Description Audio + Voting system upgrade for Council Chamber, one new server, and one new switch			Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	
Justify			Operations/Maintenance	-	-	-	-	-	
Audio + Voting: Equipment upgrade for Council Chamber.			Capital/Equipment	-	-	-	-	-	
Switch: One switch at City Hall due to limited supply of available switch ports.			Total	\$ -	\$ -	\$ -	\$ -	\$ -	
Server: Equipment replacement due to existing equipment exceeding end of life.			Project Schedule						
			Design	Duration (months)					
			Construction						
Equipment -			Equipment	1-10 (depending on availability)					
Audio equipment procured through Visionality and Voting system procured through Granicus. Meraki switch, procured through Global Asset with TIPS Contract# 200105. Dell server, procured through SHI with "Omnia Partners" Contract# 2018011-02.									
Asset disposal for old equipment, or powered down and retained as emergency.									
Project Costs	Spent as of 9/30/2023	Fiscal Year Planned Expenditures					Project Total		
		Budget 2024	2025	2026	2027	2028			
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Construction							\$ -		
Land/ROW/Building							\$ -		
Utility Relocation							\$ -		
Furniture & Equipment		21,000	157,315	12,500			\$ 190,815		
Other/Contingency							\$ -		
Total	\$ -	\$ 21,000	\$ 157,315	\$ 12,500	\$ -	\$ -	\$ 190,815		
Source of Funds	Spent as of 9/30/2023	Fiscal Year Planned Funding					Project Total		
		Budget 2024	2025	2026	2027	2028			
Cash		\$ 21,000	\$ 157,315	\$ 12,500	\$ -	\$ -	\$ 190,815		
(Choose Source)							\$ -		
(Choose Source)							\$ -		
(Choose Source)							\$ -		
(Choose Source)							\$ -		
Total	\$ -	\$ 21,000	\$ 157,315	\$ 12,500	\$ -	\$ -	\$ 190,815		






RESCUE TOOL SET									
Project Number	Department	Category	Strategic Initiative:						
[For Finance use]	DPS - FIRE	Equipment	Public Safety						
Description and Reason for the Project/Equipment			Impact on Operating Budget						
Description: Vehicle Extrication Tools			Category	2024	2025	2026	2027	2028	
Justify: The current vehicle extrication tools were purchased by funding through Rockwall County over 20 years ago. These tools are frequently used to force, or cut, mangled metal that has entrapped occupants because of a motor vehicle collision. Nothing can substitute when these tools are needed.			Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	
			Operations/Maintenance	-	-	-	-	-	
			Capital/Equipment	-	-	-	-	-	
			Total	\$ -	\$ -	\$ -	\$ -	\$ -	
			Project Schedule	Duration (months)					
			Design						
			Construction						
			Equipment	1					
Project Costs	Spent as of 9/30/2023	Budget 2024	Fiscal Year Planned Expenditures				Project Total		
			2024	2025	2026	2027	2028		
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Construction								\$ -	
Land/ROW/Building								\$ -	
Utility Relocation								\$ -	
Furniture & Equipment		32,000						\$ 32,000	
Other/Contingency								\$ -	
Total	\$ -	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000	
Source of Funds	Spent as of 9/30/2023	Budget 2024	Fiscal Year Planned Funding				Project Total		
			2024	2025	2026	2027	2028		
Cash	\$ -	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000	
(Choose Source)								\$ -	
(Choose Source)								\$ -	
(Choose Source)								\$ -	
(Choose Source)								\$ -	
Total	\$ -	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000	



RESCUE STRUTS

Project Number	Department	Category	Strategic Initiative:					
[For Finance use]	DPS - FIRE	Equipment	Public Safety					
Description and Reason for the Project/Equipment			Impact on Operating Budget					
Description: Stabilizer Struts - Vehicle Stabilization Device. This device is used to stabilize vehicles that roll over with occupants that have become trapped inside the vehicle. Justify: This tool is a safety measure, which when applied to a vehicle on its roof or side, makes the vehicle stable enough to extricate occupants without the danger of the vehicle moving or rolling over more. Equipment: Res-Q-Jack			Category	2024	2025	2026	2027	2028
			Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
			Operations/Maintenance	-	-	-	-	-
			Capital/Equipment	-	-	-	-	-
			Total	\$ -	\$ -	\$ -	\$ -	\$ -
Project Schedule			Duration (months)					
Design								
Construction								
Equipment			1					
Project Costs	Spent as of 9/30/2023	Fiscal Year Planned Expenditures				Project Total		
		Budget	Planned					
		2024	2025	2026	2027	2028		
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Construction						\$ -		
Land/ROW/Building						\$ -		
Utility Relocation						\$ -		
Furniture & Equipment		16,000				\$ 16,000		
Other/Contingency						\$ -		
Total	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000		
Source of Funds	Spent as of 9/30/2023	Fiscal Year Planned Funding				Project Total		
		Budget	Planned					
		2024	2025	2026	2027	2028		
Cash	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000		
(Choose Source)						\$ -		
(Choose Source)						\$ -		
(Choose Source)						\$ -		
(Choose Source)						\$ -		
Total	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000		



Project Number
[For Finance use]

Department
IT

Category
Equipment

Laserfiche

Strategic Initiative:
Fiscal Resiliency & Accountability

Description and Reason for the Project/Equipment

Description: Content management and business process automation.

Justify: Streamline our records management process.

Equipment: Servers, scanners, cloud based.

Impact on Operating Budget

Category	2024	2025	2026	2027	2028
Personnel	-	\$ -	\$ -	\$ -	\$ -
Operations/Maintenance	-	-	-	-	-
Capital/Equipment	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Project Schedule

Duration (months)

Design

Construction

Equipment

4

Project Costs

	Spent as of 9/30/2023	Budget 2024	Fiscal Year Planned Expenditures				Project Total
			2025	2026	2027	2028	
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction							\$ -
Land/ROW/Building							\$ -
Utility Relocation							\$ -
Furniture & Equipment		29,835					\$ 29,835
Other/Contingency							\$ -
Total	\$ -	\$ 29,835	\$ -	\$ -	\$ -	\$ -	\$ 29,835

Source of Funds

	Spent as of 9/30/2023	Budget 2024	Fiscal Year Planned Funding				Project Total
			2025	2026	2027	2028	
Cash	\$ -	\$ 29,835	\$ -	\$ -	\$ -	\$ -	\$ 29,835
(Choose Source)							\$ -
(Choose Source)							\$ -
(Choose Source)							\$ -
(Choose Source)							\$ -
Total	\$ -	\$ 29,835	\$ -	\$ -	\$ -	\$ -	\$ 29,835

(Insert Photo)


Laserfiche®

ADA Transition Plan Projects

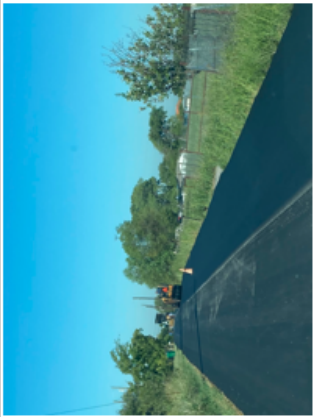
Project Number <small>[For Finance use]</small>		Department Facilities	Category General Facilities	Strategic Initiative: Sustainable Infrastructure & Services																															
Description and Reason for the Project/Equipment As a result of the self evaluation and violation items identified for City Hall and Robert Smith Family Park, this work will address interior and exterior doors need re-adjusted to meet the 5lbs opening force, address accessible counter spaces, provide accessible route to park components, add accessible tables to the pavillion and picnic areas and to eliminate accessible route trip hazards in sidewalk and trail.				Impact on Operating Budget <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Category</th> <th style="text-align: center;">2024</th> <th style="text-align: center;">2025</th> <th style="text-align: center;">2026</th> <th style="text-align: center;">2027</th> <th style="text-align: center;">2028</th> </tr> </thead> <tbody> <tr> <td>Personnel</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Operations/Maintenance</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Capital/Equipment</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> </tbody> </table>		Category	2024	2025	2026	2027	2028	Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	Operations/Maintenance						Capital/Equipment						Total	\$ -	\$ -	\$ -	\$ -	\$ -
Category	2024	2025	2026	2027	2028																														
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -																														
Operations/Maintenance																																			
Capital/Equipment																																			
Total	\$ -	\$ -	\$ -	\$ -	\$ -																														
Project Schedule Design Construction Equipment				Duration (months) 6 months																															

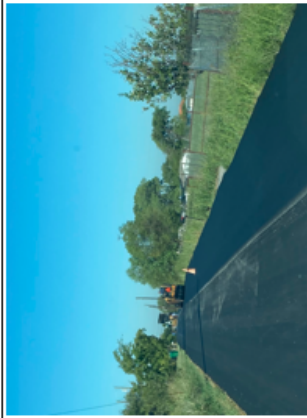
Project Costs	Spent as of 9/30/2023	Fiscal Year Planned Expenditures					Project Total
		Planned					
		Budget 2024	2025	2026	2027	2028	
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Construction		15,000		20,000		25,000	\$ 60,000
Land/ROW/Building							
Utility Relocation							
Furniture & Equipment							
Other/Contingency							
Total	\$ -	\$ 15,000	\$ -	\$ 20,000	\$ -	\$ 25,000	\$ 60,000

Source of Funds	Spent as of 9/30/2023	Fiscal Year Planned Funding					Project Total
		Planned					
		Budget 2024	2025	2026	2027	2028	
Cash		\$ 15,000		\$ 20,000		\$ 25,000	\$ 60,000
(Choose Source)							
(Choose Source)							
(Choose Source)							
(Choose Source)							
Total	\$ -	\$ 15,000	\$ -	\$ 20,000	\$ -	\$ 25,000	\$ 60,000




Asphalt Repair												
Project Number [For Finance use]	Department		Category		Strategic Initiative:							
	Streets		Roads/Signal/Drainage		Sustainable Infrastructure & Services							
Description and Reason for the Project/Equipment					Impact on Operating Budget							
Description: Asphalt Repair Justify: It is important to monitor and repair roads that need improvement throughout the city. This is also part of public safety. Equipment:None					Category		2024	2025	2026	2027	2028	
					Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					Operations/Maintenance		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
					Capital/Equipment		-	-	-	-	-	-
					Total		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Project Schedule					Duration (months)							
Design												
Construction					1							
Equipment												
Project Costs	Spent as of 9/30/2023	Fiscal Year Planned Expenditures					Project Total					
		Budget 2024	Planned									
			2025	2026	2027	2028						
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
Construction		800,000	800,000	800,000	800,000	800,000	\$ 4,000,000					
Land/ROW/Building							\$ -					
Utility Relocation							\$ -					
Furniture & Equipment							\$ -					
Other/Contingency							\$ -					
Total	\$ -	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 4,000,000					
Source of Funds	Spent as of 9/30/2023	Fiscal Year Planned Funding					Project Total					
		Budget 2024	Planned									
			2025	2026	2027	2028						
Cash	\$ -	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 4,000,000					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
Total	\$ -	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 4,000,000					






3RD FLOOR - MDD 110 E GREENHILL LANE

Project Number	Department	Category	Strategic Initiative:				
[For Finance use]	Eco Dev	General Facilities	Sustainable Infrastructure & Services				
Description and Reason for the Project/Equipment							
The City of Fate and its Municipal Development District (MDD) have authorized the private construction of a 3-story mixed-use building on property leased from the MDD located at 110 E. Greenhill Lane. As part of the project, the City is leasing the 3rd floor, which will consist of a "shelled-out" space of approximately 9,214 square feet. The City desires to finish the space to accommodate commercial office lease space. The space will need to facilitate coworking and encourage/enable collaboration. There is a need for elements that facilitate community learning and small business incubation and bring the right retail partners to complement the working space environment. These elements need to balance the need for activity, energy, and creativity with the need to create quiet spaces that enable focused work or study. These should also align with a financially sustainable business model and a cost structure that leaves room for a wide variety of businesses (established businesses, startups, creative, freelance/entrepreneurs, and professionals). Operating costs will be offset by commercial lease revenues.							
			Impact on Operating Budget				
Category			2024	2025	2026	2027	2028
Personnel			\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Maintenance			175,000	350,000	367,500	385,875	405,169
Capital/Equipment			-	-	-	-	-
Total			\$ 175,000	\$ 350,000	\$ 367,500	\$ 385,875	\$ 405,169
Project Schedule			Duration (months)				
Design			12				
Construction			4				
Equipment							
			Project Total				
Project Costs			Planned				
			2024				
			2025				
			2026				
			2027				
			2028				
Design			\$ 50,000	\$ 20,000	\$ -	\$ -	\$ -
Construction				1,324,058			
Land/ROW/Building							
Utility Relocation							
Furniture & Equipment				300,000			
Other/Contingency							
Total			\$ 50,000	\$ 1,644,058	\$ -	\$ -	\$ -
			Project Total				
Source of Funds			Planned				
			2024				
			2025				
			2026				
			2027				
			2028				
Cash			\$ 50,000	\$ 1,644,058	\$ -	\$ -	\$ -
(Choose Source)							
(Choose Source)							
(Choose Source)							
(Choose Source)							
Total			\$ 50,000	\$ 1,644,058	\$ -	\$ -	\$ -
			Project Total				






Traffic Signal Equipment											
Project Number <small>(For Finance use)</small>	Department	Category	Strategic Initiative:								
	Streets	Roads/Signal/Drainage	Sustainable Infrastructure & Services								
Description and Reason for the Project/Equipment			Impact on Operating Budget								
Description: Traffic Signal Equipment - TxDOT Install Justify: We anticipate that the street signal at Ben Payne and Hwy 66 will be needed once TxDOT installs the traffic light. Equipment: Street signal			Category	2024	2025	2026	2027	2028			
			Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
			Operations/Maintenance	\$ 2,500	\$ 2,500	\$ 624					
			Capital/Equipment	-	-	-	-	-	-		
			Total	\$ 2,500	\$ 2,500	\$ 624	\$ -	\$ -	\$ -		
Project Schedule			Duration (months)								
Design											
Construction											
Equipment			2								
Project Costs	Spent as of 9/30/2023	Fiscal Year Planned Expenditures					Project Total				
		Budget	Planned								
		2024	2025	2026	2027	2028					
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Construction							\$ -				
Land/ROW/Building							\$ -				
Utility Relocation							\$ -				
Furniture & Equipment		50,000	50,000	12,482			\$ 112,482				
Other/Contingency							\$ -				
Total	\$ -	\$ 50,000	\$ 50,000	\$ 12,482	\$ -	\$ -	\$ 112,482				
Source of Funds	Spent as of 9/30/2023	Fiscal Year Planned Funding					Project Total				
		Budget	Planned								
		2024	2025	2026	2027	2028					
Impact Fees	\$ -	\$ 50,000	\$ 50,000	\$ 12,482		\$ -	\$ 112,482				
(Choose Source)							\$ -				
(Choose Source)							\$ -				
(Choose Source)							\$ -				
(Choose Source)							\$ -				
Total	\$ -	\$ 50,000	\$ 50,000	\$ 12,482	\$ -	\$ -	\$ 112,482				

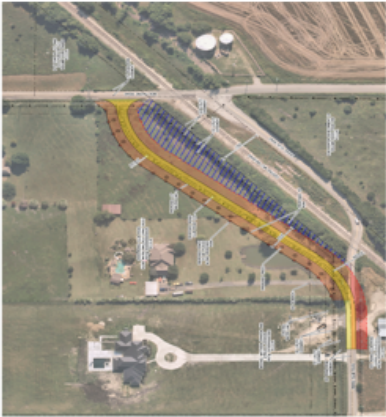





Gettysburg to Blackland Ext. Rd												
Project Number		Department		Category		Strategic Initiative:						
[For Finance use]		Streets		Roads/Signal/Drainage		Sustainable Infrastructure & Services						
Description and Reason for the Project/Equipment						Impact on Operating Budget						
Description: Gettysburg Ext to Blackland Rd with a roundabout, and a box culvert. Justify: This road will provide easy access to the east side of the City to the rest of the City. Equipment: None						Category		2024	2025	2026	2027	2028
						Personnel		\$ -	\$ -	\$ -	\$ -	\$ -
						Operations/Maintenance		\$ 29,718	\$ 74,710			
						Capital/Equipment		-	-	-	-	-
						Total		\$ 29,718	\$ 74,710	\$ -	\$ -	\$ -
Project Schedule						Duration (months)						
Design												
Construction						8						
Equipment												
Project Costs	Spent as of 9/30/2023	Fiscal Year Planned Expenditures					Project Total					
		Budget 2024	2025	2026	2027	2028						
Design	\$ 115,633	\$ 94,367	\$ -	\$ -	\$ -	\$ -	\$ 210,000					
Construction		500,000	1,494,200				\$ 1,994,200					
Land/ROW/Building	447,730						\$ 447,730					
Utility Relocation							\$ -					
Furniture & Equipment							\$ -					
Other/Contingency							\$ -					
Total	\$ 563,363	\$ 594,367	\$ 1,494,200	\$ -	\$ -	\$ -	\$ 2,651,930					
Source of Funds	Spent as of 9/30/2023	Fiscal Year Planned Funding					Project Total					
		Budget 2024	2025	2026	2027	2028						
2021 GO Road Bond	\$ 563,363	\$ 594,367	\$ 1,494,200	\$ -	\$ -	\$ -	\$ 2,651,930					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
Total	\$ 563,363	\$ 594,367	\$ 1,494,200	\$ -	\$ -	\$ -	\$ 2,651,930					



Riding Club East Railroad Crossing Realignment											
Project Number <small>(For Finance use)</small>	Department		Category		Strategic Initiative:						
	Streets		Roads/Signal/Drainage		Sustainable Infrastructure & Services						
Description and Reason for the Project/Equipment					Impact on Operating Budget						
Description: Riding Club Rd 1100LF of new concrete rd, with a new water line connection to existing water line in Riding Club Rd. Justify: To provide a safe transition from Riding Club to Ben Payne Rd by Avoiding a RR Crossing. Equipment: None					Category		2024	2025	2026	2027	2028
					Personnel		\$ -	\$ -	\$ -	\$ -	\$ -
					Operations/Maintenance		\$ 14,501				
					Capital/Equipment		-	-	-	-	-
					Total		\$ 14,501	\$ -	\$ -	\$ -	\$ -
Project Schedule					Duration (months)						
Design					2						
Construction											
Equipment											
Fiscal Year Planned Expenditures					Project Total						
Project Costs	Spent as of 9/30/2023	Budget	Planned				Project Total				
		2024	2025	2026	2027	2028					
Design	\$ 65,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 71,000				
Construction	500,000	284,010					\$ 784,010				
Land/ROW/Building							\$ -				
Utility Relocation							\$ -				
Furniture & Equipment							\$ -				
Other/Contingency							\$ -				
Total	\$ 565,000	\$ 290,010	\$ -	\$ -	\$ -	\$ -	\$ 855,010				
Fiscal Year Planned Funding					Project Total						
Source of Funds	Spent as of 9/30/2023	Budget	Planned				Project Total				
		2024	2025	2026	2027	2028					
2021 GO Road Bond	\$ 565,000	\$ 290,010			\$ -	\$ -	\$ 855,010				
(Choose Source)							\$ -				
(Choose Source)							\$ -				
(Choose Source)							\$ -				
(Choose Source)							\$ -				
Total	\$ 565,000	\$ 290,010	\$ -	\$ -	\$ -	\$ -	\$ 855,010				






Woodcreek Blvd Ext									
Project Number <small>(For Finance use)</small>	Department		Category		Strategic Initiative:				
	Streets		Roads/Signal/Drainage		Sustainable Infrastructure & Services				
Description and Reason for the Project/Equipment									
Description: Woodcreek Blvd Ext. Extend Woodcreek Blvd. (projects 30 & 31 x 2) south through the Yu tract to the frontage road. Includes roundabout & RR crossing at \$2 million.									
Justify: As we keep growing new roads are needed, and this project was identified as an opportunity to provide access to the north side of Fate to 130.									
Equipment: None									
Impact on Operating Budget									
Category			2024	2025	2026	2027	2028		
Personnel			\$ -	\$ -	\$ -	\$ -	\$ -		
Operations/Maintenance			\$ 52,308						
Capital/Equipment			-	-	-	-	-		
Total			\$ 52,308	\$ -	\$ -	\$ -	\$ -		
Project Schedule									
Design									
Construction									
Equipment									
Duration (months)									
2									
									
Project Costs		Spent as of 9/30/2023	Fiscal Year Planned Expenditures				Project Total		
			Budget 2024	2025	2026	2027	2028		
Design		\$ 190,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	
Construction		4,000,000	1,036,165					\$ 5,036,165	
Land/ROW/Building								\$ -	
Utility Relocation								\$ -	
Furniture & Equipment								\$ -	
Other/Contingency								\$ -	
Total		\$ 4,190,000	\$ 1,046,165	\$ -	\$ -	\$ -	\$ -	\$ 5,236,165	
Source of Funds		Spent as of 9/30/2023	Fiscal Year Planned Funding				Project Total		
			Budget 2024	2025	2026	2027	2028		
2021 GO Road Bond		\$ 4,190,000	\$ 1,046,165			\$ -	\$ -	\$ 5,236,165	
(Choose Source)								\$ -	
(Choose Source)								\$ -	
(Choose Source)								\$ -	
(Choose Source)								\$ -	
Total		\$ 4,190,000	\$ 1,046,165	\$ -	\$ -	\$ -	\$ -	\$ 5,236,165	

MDD PROPERTY ACQUISITION - FM 551 AND FATE MAIN PL


Project Number <small>[For Finance use]</small>	Department	Category	Strategic Initiative:				
	Eco Dev	Land	Fiscal Resiliency & Accountability				
Description and Reason for the Project/Equipment							
Property acquisition through the Fate Municipal Development District No. 1 for the purposes of Economic Development. This parcel is under contract and is the remaining piece to complete the full acquisition of the block at the southwest corner of FM 551 and Fate Main Place.							
Parcel IDs: 16409, 16410, 16411							
			Impact on Operating Budget				
Category			2024	2025	2026	2027	2028
Personnel			\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Maintenance			-	-	-	-	-
Capital/Equipment			-	-	-	-	-
Total			\$ -	\$ -	\$ -	\$ -	\$ -
Project Schedule			Duration (months)				
Design							
Construction							
Equipment							
Project Costs	Spent as of 9/30/2023	Budget	Fiscal Year Planned Expenditures				Project Total
			2024	2025	2026	2027	
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction							\$ -
Land/ROW/Building		400,000					\$ 400,000
Utility Relocation							\$ -
Furniture & Equipment							\$ -
Other/Contingency							\$ -
Total	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Source of Funds	Spent as of 9/30/2023	Budget	Fiscal Year Planned Funding				Project Total
			2024	2025	2026	2027	
Cash	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
(Choose Source)							\$ -
(Choose Source)							\$ -
(Choose Source)							\$ -
(Choose Source)							\$ -
Total	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000



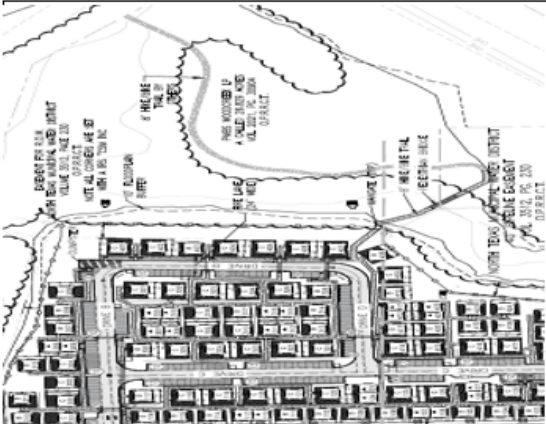


Ben Payne Rd CD Boren to Hwy 66

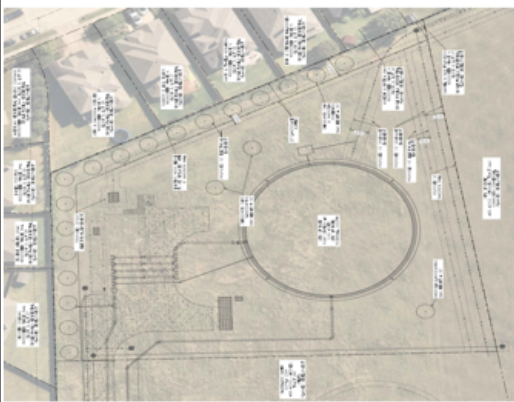
Project Number		Department	Category	Strategic Initiative:				
[For Finance use]		Streets	Roads/Signal/Drainage	Sustainable Infrastructure & Services				
Description and Reason for the Project/Equipment								
Description: Four-Lane divided arterial, Ben Payne Rd from CD Boren to Hwy 66								
Justify: This four lane divided arterial is needed to ease the congestion at the intersection of Ben Payne and Hwy 66. It will also be needed for when TxDOT installs the traffic light at this intersection.								
Equipment: None								
Impact on Operating Budget				Duration (months)				
Category				Duration (months)				
Personnel				4				
Operations/Maintenance				10				
Capital/Equipment								
Total								
Project Schedule								
Design								
Construction								
Equipment								
Project Costs		Spent as of 9/30/2023	Fiscal Year Planned Expenditures				Project Total	
		Budget	Planned					
		2024	2025	2026	2027	2028		
Design	\$ -	\$ 164,000	\$ -	\$ -	\$ -	\$ -	\$ 164,000	
Construction		1,500,000	500,000				\$ 2,000,000	
Land/ROW/Building							\$ -	
Utility Relocation							\$ -	
Furniture & Equipment							\$ -	
Other/Contingency							\$ -	
Total	\$ -	\$ 1,664,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 2,164,000	
Source of Funds		Spent as of 9/30/2023	Fiscal Year Planned Funding				Project Total	
		Budget	Planned					
		2024	2025	2026	2027	2028		
Impact Fees	\$ -	\$ 1,500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 2,000,000	
(Choose Source)							\$ -	
(Choose Source)							\$ -	
(Choose Source)							\$ -	
(Choose Source)							\$ -	
Total	\$ -	\$ 1,500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 2,000,000	



Trail Bridge at Woodcreek												
Project Number <small>(For Finance use)</small>	Department		Category		Strategic Initiative:							
	Parks		Parks		Sense of Community							
Description and Reason for the Project/Equipment					Impact on Operating Budget							
Description: Reimbursement to developer for trail bridge to be constructed on City property connecting Woodcreek 6 and Woodcreek Built For Rent. Justify: Developer agreement resolution R-2023-026. Reimbursement not to exceed \$162,000.00. Park Development - District C.					Category		2024	2025	2026	2027	2028	
					Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
					Operations/Maintenance		1,230	1,230	1,230	1,230	1,230	1,230
					Capital/Equipment		-	-	-	-	-	-
					Total		\$ 1,230	\$ 1,230	\$ 1,230	\$ 1,230	\$ 1,230	\$ 1,230
Project Schedule					Duration (months)							
Design					12 Months							
Construction												
Equipment												
Project Costs	Spent as of 9/30/2023	Budget 2024	Fiscal Year Planned Expenditures				Project Total					
			2025	2026	2027	2028						
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Construction		123,000					\$ 123,000					
Land/ROW/Building							\$ -					
Utility Relocation							\$ -					
Furniture & Equipment							\$ -					
Other/Contingency							\$ -					
Total	\$ -	\$ 123,000	\$ -	\$ -	\$ -	\$ -	\$ 123,000					
Source of Funds	Spent as of 9/30/2023	Budget 2024	Fiscal Year Planned Funding				Project Total					
			2025	2026	2027	2028						
Cash	\$ -	\$ 123,000	\$ -	\$ -	\$ -	\$ -	\$ 123,000					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
(Choose Source)							\$ -					
Total	\$ -	\$ 123,000	\$ -	\$ -	\$ -	\$ -	\$ 123,000					




Pump Station #3									
Project Number [For Finance use]	Department	Category		Strategic Initiative: Sustainable Infrastructure & Services					
	Water	Water							
Description and Reason for the Project/Equipment									
Description: Pump Station #3									
Justify: The proposed Pump Station will boost the city's pumping capacity to accommodate future development. The project includes approximately 2250 linear feet of 24-inch water transmission main. Based on calculated system hydraulics and selected pumps, a firm capacity of 12.96 MGD or 9000 gpm will be provided. The proposed pump station will have a 4-pump slot layout, where all slots will be sized for the build-out demand. This project will run into the fiscal year 2025.									
Equipment: None									
Impact on Operating Budget				Duration (months)					
Category				2024	2025	2026	2027	2028	
Personnel				\$ -	\$ -	\$ -	\$ -	\$ -	-
Operations/Maintenance				\$ 608,475	\$ 100,000				
Capital/Equipment				-	-	-	-	-	-
Total				\$ 608,475	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Project Schedule									
Design				1					
Construction				46					
Equipment									
Fiscal Year Planned Expenditures									
Project Costs	Spent as of 9/30/2023	Budget	Planned				Project Total		
		2024	2025	2026	2027	2028			
Design	\$ 796,000	\$ 32,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 828,500	
Construction	4,000,000	12,137,000	2,000,000					\$ 18,137,000	
Land/ROW/Building								\$ -	
Utility Relocation								\$ -	
Furniture & Equipment								\$ -	
Other/Contingency								\$ -	
Total	\$ 4,796,000	\$ 12,169,500	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 18,965,500	
Fiscal Year Planned Funding									
Source of Funds	Spent as of 9/30/2023	Budget	Planned				Project Total		
		2024	2025	2026	2027	2028			
Cash	\$ 796,000	\$ 8,512,732	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 11,308,732	
2022 CO PS3 Bond	129,975	3,656,768						\$ 3,786,743	
Grants	3,870,025							\$ 3,870,025	
(Choose Source)								\$ -	
(Choose Source)								\$ -	
Total	\$ 4,796,000	\$ 12,169,500	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 18,965,500	



Water Small Projects												
Project Number	Department	Category	Strategic Initiative:									
[For Finance use]	Water	Water	Sustainable Infrastructure & Services									
Description and Reason for the Project/Equipment			Impact on Operating Budget									
			Category	2024	2025	2026	2027	2028				
Description: Water Small Projects			Personnel		\$ -	\$ -	\$ -	\$ -	\$ -			
Justify: As part of our maintenance around the city throughout the year, we require to be prepared and be proactive with water infrastructure in a growing city. With this capital we can improve some of the small projects that are needed or may come up as an emergency.			Operations/Maintenance	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	
			Capital/Equipment	-	-	-	-	-	-	-	-	
Equipment: None			Total	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	
			Duration (months)									
Project Schedule												
Design												
Construction			4									
Equipment												
Project Costs	Spent as of 9/30/2023	Budget	Fiscal Year Planned Expenditures					Project Total				
			2024	2025	2026	2027	2028					
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Construction		100,000	100,000	100,000	100,000	100,000	100,000	\$ 500,000				
Land/ROW/Building								\$ -				
Utility Relocation								\$ -				
Furniture & Equipment								\$ -				
Other/Contingency								\$ -				
Total	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000				
Source of Funds	Spent as of 9/30/2023	Budget	Fiscal Year Planned Funding					Project Total				
			2024	2025	2026	2027	2028					
Cash	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000				
(Choose Source)								\$ -				
(Choose Source)								\$ -				
(Choose Source)								\$ -				
(Choose Source)								\$ -				
Total	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000				



Wastewater Small Projects														
Project Number [For Finance use]	Department		Category		Strategic Initiative:									
	Waste Water		Waste Water		Sustainable Infrastructure & Services									
Description and Reason for the Project/Equipment					Impact on Operating Budget									
Description: Wastewater Small Projects Justify: As part of our maintenance around the city throughout the year, we require to be prepared and be proactive with waste water infrastructure in a growing city. With this capital we can improve some of the small projects that are needed or may come up as an emergency. Equipment: None					Category	2024	2025	2026	2027	2028				
					Personnel		\$	-	\$	-	\$	-	\$	-
					Operations/Maintenance				-		-		-	
					Capital/Equipment				-		-		-	
					Total	\$	-	\$	-	\$	-	\$	-	\$
Project Schedule					Duration (months)									
Design														
Construction					4									
Equipment														
Project Costs	Spent as of 9/30/2023	Budget	Fiscal Year Planned Expenditures					Project Total						
			2024	2025	2026	2027	2028							
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
Construction		100,000	100,000	100,000	100,000	100,000	100,000	\$ 500,000	\$ 500,000					
Land/ROW/Building								\$ -	\$ -					
Utility Relocation								\$ -	\$ -					
Furniture & Equipment								\$ -	\$ -					
Other/Contingency								\$ -	\$ -					
Total	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	\$ 500,000					
Source of Funds	Spent as of 9/30/2023	Budget	Fiscal Year Planned Funding					Project Total						
			2024	2025	2026	2027	2028							
Cash	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	\$ 500,000					
(Choose Source)								\$ -	\$ -					
(Choose Source)								\$ -	\$ -					
(Choose Source)								\$ -	\$ -					
(Choose Source)								\$ -	\$ -					
Total	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	\$ 500,000					





Project Number

Department

Category

Ben Payne 20 inch Waterline

Strategic Initiative:

(Choose Pillar)

Description and Reason for the Project/Equipment

Description: Ben Payne 20 inch water line from FH at Pump Station #3 to CD Boren

Justify: As this segment of Ben Payne Rd gets widened, it is time to install the 20 inch line proposed from CD Boren to Hwy 66 project #8 from our Water CIP Plan, with half of it being done by the PS#3 project.

Equipment: None

Impact on Operating Budget

Category	2024	2025	2026	2027	2028
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Maintenance	\$ 50,000				
Capital/Equipment	-	-	-	-	-
Total	\$ 50,000	\$ -	\$ -	\$ -	\$ -

Project Schedule

Duration (months)

Design	3
Construction	4
Equipment	


Project Costs

	Spent as of 9/30/2023	Fiscal Year Planned Expenditures				Project Total
		Budget 2024	2025	2026	2027	
Design	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Construction		1,100,000				\$ 1,100,000
Land/ROW/Building						\$ -
Utility Relocation						\$ -
Furniture & Equipment						\$ -
Other/Contingency						\$ -
Total	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000

Source of Funds

	Spent as of 9/30/2023	Fiscal Year Planned Funding				Project Total
		Budget 2024	2025	2026	2027	
Cash	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000
(Choose Source)						\$ -
(Choose Source)						\$ -
(Choose Source)						\$ -
(Choose Source)						\$ -
Total	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000

Decommission I30 Lift Station												
Project Number		Department		Category		Strategic Initiative:						
[For Finance use]		Waste Water		Waste Water		Sustainable Infrastructure & Services						
Description and Reason for the Project/Equipment						Impact on Operating Budget						
Description: Decommission I-30 Lift Station Justify: Based on the wastewater master plan in place since September 2020, the I30 Lift Station was listed to be decommissioned. The abandonment of this lift station will remove pressure from the Mobile City Lift Station and prepare the land for future land development. Equipment: None						Category		2024	2025	2026	2027	2028
						Personnel		\$ -	\$ -	\$ -	\$ -	\$ -
						Operations/Maintenance		-	-	-	-	-
						Capital/Equipment		-	-	-	-	-
						Total		\$ -	\$ -	\$ -	\$ -	\$ -
Project Schedule						Duration (months)						
Design						3 months						
Construction												
Equipment												
Project Costs		Spent as of 9/30/2023	Budget 2024	Fiscal Year Planned Expenditures				Project Total				
				Planned								
				2025	2026	2027	2028					
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Construction			150,000					\$ 150,000	\$ -			
Land/ROW/Building								\$ -	\$ -			
Utility Relocation								\$ -	\$ -			
Furniture & Equipment								\$ -	\$ -			
Other/Contingency								\$ -	\$ -			
Total	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -			
Source of Funds		Spent as of 9/30/2023	Budget 2024	Fiscal Year Planned Funding				Project Total				
				Planned								
				2025	2026	2027	2028					
Cash	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -			
(Choose Source)								\$ -	\$ -			
(Choose Source)								\$ -	\$ -			
(Choose Source)								\$ -	\$ -			
(Choose Source)								\$ -	\$ -			
Total	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -			

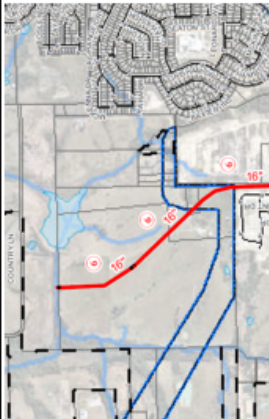


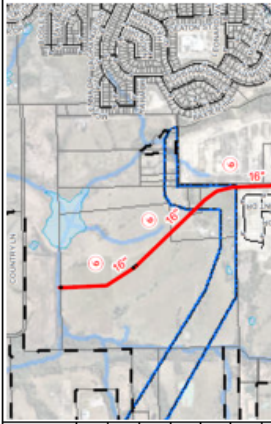


Hurco SD800												
Project Number		Department		Category		Strategic Initiative:						
[For Finance use]		Water		Waste Water		Sustainable Infrastructure & Services						
Description and Reason for the Project/Equipment												
Description: Hurco SD800 Valve Exerciser												
Justify: A valve exerciser is needed to avoid staff injuries, and be more efficient in the water and sewer valve maintenance and operations.												
Equipment: Key Equipment & Supply CO. Hurco SD800 Valve Exerciser.												
Project Costs		Spent as of 9/30/2023	Fiscal Year Planned Expenditures					Project Total				
		Budget 2024	2025	2026	2027	2028						
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Construction												
Land/ROW/Building												
Utility Relocation												
Furniture & Equipment	0	15,575					\$ 15,575	\$ 15,575	\$ 15,575	\$ 15,575	\$ 15,575	
Other/Contingency												
Total	\$ -	\$ 15,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,575	\$ 15,575	
Source of Funds		Spent as of 9/30/2023	Fiscal Year Planned Funding					Project Total				
		Budget 2024	2025	2026	2027	2028						
Cash	\$ -	\$ 15,575					\$ -	\$ -	\$ -	\$ 15,575	\$ 15,575	
(Choose Source)										\$ -	\$ -	
(Choose Source)										\$ -	\$ -	
(Choose Source)										\$ -	\$ -	
(Choose Source)										\$ -	\$ -	
Total	\$ -	\$ 15,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,575	\$ 15,575	




N. Ben Payne Waterline													
Project Number [For Finance use]	Department	Category	Strategic Initiative:										
			Sustainable Infrastructure & Services										
Description and Reason for the Project/Equipment			Impact on Operating Budget										
Description: N. Ben Payne Waterline Justify: Construction of 16-inch waterline from existing Ben Payne Rd 16 inch waterline north along Ben Payne Rd. This is to provide water to the expanding side of Fate in this region. Equipment: None	Category	2024	2025	2026	2027	2028							
	Personnel		\$	-	\$	-	\$	-	\$	-	\$	-	
	Operations/Maintenance	\$	37,500	\$	42,500								
	Capital/Equipment												
	Total	\$	37,500	\$	42,500	\$	-	\$	-	\$	-	\$	-
	Project Schedule	Duration (months)											
Design	4												
Construction	6												
Equipment													
Project Costs	Spent as of 9/30/2023	Fiscal Year Planned Expenditures					Project Total						
		Budget 2024	2025	2026	2027	2028							
Design	\$ -	\$ 100,000		\$ -	\$ -	\$ -	\$ 100,000						
Construction		650,000	850,000				\$ 1,500,000						
Land/ROW/Building							\$ -						
Utility Relocation							\$ -						
Furniture & Equipment							\$ -						
Other/Contingency							\$ -						
Total	\$ -	\$ 750,000	\$ 850,000	\$ -	\$ -	\$ -	\$ 1,600,000						
Source of Funds	Spent as of 9/30/2023	Fiscal Year Planned Funding					Project Total						
		Budget 2024	2025	2026	2027	2028							
Cash	\$ -	\$ 750,000	\$ 850,000		\$ -	\$ -	\$ 1,600,000						
(Choose Source)							\$ -						
(Choose Source)							\$ -						
(Choose Source)							\$ -						
(Choose Source)							\$ -						
Total	\$ -	\$ 750,000	\$ 850,000	\$ -	\$ -	\$ -	\$ 1,600,000						





Storm Water Projects															
Project Number [For Finance use]	Department	Category	Strategic Initiative:												
			Sustainable Infrastructure & Services												
Description and Reason for the Project/Equipment			Impact on Operating Budget												
Description: Storm Water Projects Justify: As part of our maintenance around the city throughout the year, we require to be prepared and be proactive with storm water infrastructure in a growing city. With this capital we can improve some of the small projects that are needed or may come up as an emergency. Equipment: None			Category	2024	2025	2026	2027	2028							
			Personnel		\$	-	\$	-	\$	-	\$				
			Operations/Maintenance		\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	
			Capital/Equipment			-		-		-		-		-	
			Total		\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	
Project Schedule			Duration (months)												
Design			2												
Construction			4												
Equipment															
Project Costs	Spent as of 9/30/2023	Budget	Fiscal Year Planned Expenditures					Project Total							
			2024	2025	2026	2027	2028								
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Construction		100,000								\$ 100,000					
Land/ROW/Building										\$ -					
Utility Relocation										\$ -					
Furniture & Equipment										\$ -					
Other/Contingency										\$ -					
Total	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000					
Source of Funds	Spent as of 9/30/2023	Budget	Fiscal Year Planned Funding					Project Total							
			2024	2025	2026	2027	2028								
Cash	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000					
(Choose Source)										\$ -					
(Choose Source)										\$ -					
(Choose Source)										\$ -					
(Choose Source)										\$ -					
Total	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000					





FINANCIAL POLICIES & PROCEDURES



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CITY CHARTER

The following are the financial procedures as established by the City of Fate City Charter, Article VI.

Section 6.01 Fiscal Year

The fiscal year of the City shall begin on the first (1st) day of October and end on the last day of September of the next succeeding year, which shall also constitute the budget and accounting year.

Section 6.02 Submission of Budget and Budget Hearing

On or before the fifteenth (15th) day of August of the fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year and an accompanying budget message. The City Manager shall prepare a summary of the City budget setting forth the essential financial terms contained in the City budget.

Section 6.03 Public Hearing on Budget

The City Council shall hold a public hearing or hearings as required by state law. At the public hearing, interested citizens may speak concerning items of expenditures.

Section 6.04 Proceeding on Adoption of Budget

After the public hearing, the City Council shall analyze the budget, making any additions or deletions they feel appropriate, and shall adopt the budget by the affirmative vote of a majority of the full membership of the City Council. Should the City Council take no final action on or prior to the beginning of the new fiscal year, the current budget shall be in force on a month-to month basis until a new budget is adopted.

Section 6.05 Budget, Appropriation and Amount to be Raised by Taxation

On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City Council shall constitute the official appropriations as proposed by expenditures for the current year and shall constitute the basis of official levy of the property tax as the amount of tax to be assessed and collected for the corresponding tax year. With the exception of bonds and bond payments, estimated annual expenditures will in no case exceed proposed revenue plus cash on hand. Unused appropriations may be transferred to any item required.

Section 6.06 Contingent Appropriation

Provision shall be made in the annual budget and in the appropriation ordinance for a contingent appropriation as determined by the City Council to be used for unforeseen items of expenditures or in the case of emergencies. This contingent appropriation shall apply to current operating expenses and shall not include any reserve funds of the City of Fate. Such contingent appropriation shall be under the control of the City Manager and distributed by the City Manager only after prior approval by the City Council, for activities for which the appropriations are made.

Section 6.07 Amending the Budget

Under the conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the City Council may, by a majority vote, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be made by ordinance and shall become an attachment to the original budget.

Section 6.08 Reserved

Section 6.09 Lapse of Appropriations

- 1) Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year if it has not been expended or encumbered.
- 2) An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned. An appropriation for a capital expenditure shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation.
- 3) Any funds not expended, disbursed or encumbered, or the funds for an appropriation which has lapsed, shall be returned to the general revenue funds for the City.

Section 6.10 Borrowing

The City of Fate shall have the right and power, except as prohibited by law or this Charter, to borrow money by whatever method it may deem to be in the public interest and to issue bonds or other security instruments.

Section 6.11 Purchasing

- 1) The City Council may, by ordinance, give the City Manager general authority to contract for expenditures without further approval of the City Council for all budgeted items not exceeding limits set by the City Council.
- 2) All contracts for expenditures involving more than the limits set by the City Council must be expressly approved in advance by the City Council. If a contract or purchase requires an amount that is more than the limits already set by the City Council, then that contract or purchase shall be awarded by the City Council in accordance with state law.
- 3) Emergency contracts, as authorized by law and this Charter, may be negotiated by the City Council or City Manager, if the City Manager is given such authority by the City Council, in any manner allowed by state law. Such emergency shall be declared by the City Council or declared by the City Manager and approved by the City Council.

Section 6.12 Administration of the Budget

The City Manager shall submit to the City Council each month a report covering the revenues and expenditures of the City in such form as requested by the City Council.

Section 6.13 Municipal Taxes

- 1) The City shall have the power to levy, assess and collect taxes of every character and type for any municipal purpose not prohibited by the Constitution and laws of the State of Texas.
- 2) The City shall have the power to grant tax exemptions in accordance with the laws of the State of Texas
- 3) There may be an office of Taxation to collect taxes, the head of which would be the City Tax Collector or the City Council may contract for such services.
- 4) All taxes may be paid at any time after the tax rolls for the year have been completed and approved. The City Council may provide discounts for the payment of taxes prior to January 1 in an amount not to exceed those established by the laws of the State of Texas.

5) Failure to levy and assess such taxes through omission in preparing the appraisal rolls shall not relieve the person, firm or corporation so omitted from obligation to pay such current or past due taxes as shown to be payable by recheck of the rolls and receipts for the years in question, omitting penalty and interest.

6) Defects shall not invalidate the tax levy errors or defects in the form or preparation of the budget or the failure to perform any procedural requirements shall not nullify the tax levy or the tax rate.

Section 6.14 Property Not Exempt from Special Assessments

No property of any kind, by whomsoever owned or held, whether in trust or by non-profit organization, or corporation, or by foundation or otherwise, except property of the City, shall be exempt in any way from any of the special taxes, charges, levies and assessments, authorized or permitted by this Charter, for local improvements, for the public welfare.

Section 6.15 City Depository

The City shall follow the requirements of state law in choosing a depository for City funds.

FINANCIAL MANAGEMENT POLICY

CITY OF FATE, TEXAS

Financial Management Policy

Effective October 3, 2022



City of Fate, Texas
Financial Management Policy

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I. PURPOSE STATEMENT

The overriding goal of the Financial Management Policies is to enable the City to achieve a long-term stable and positive financial condition while conducting its operations consistent with the Council-Manager form of government established in the City Charter. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policies is to provide guidelines for the financial management staff in planning and directing the City's day-to-day financial affairs and in developing recommendations to the Mayor and City Council.

The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control and debt management.

II. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

A. ACCOUNTING - The City's Director of Finance is responsible for establishing the chart of accounts, and for properly recording financial transactions.

B. FUNDS - Self-balancing groups of accounts are used to account for City financial transactions in accordance with Generally Accepted Accounting Principles. Each fund is created for a specific purpose except for the General Fund, which is used to account for all transactions not accounted for in other funds.

C. EXTERNAL AUDITING – Pursuant to State Statute, the City shall have its records and accounts audited annually by a certified public accounting (CPA) firm, licensed to practice in the State of Texas. The CPA firm must demonstrate that they have the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and contractual requirements. The auditors' report on the City's financial statements including any federal grant single audits will be completed within 180 days of the City's fiscal year end, and the auditors' management letter will be presented to the City staff within 180 days after the City's fiscal year end. An interim management letter will be issued prior to this date if any materially significant internal control weaknesses are discovered. The City staff and auditors will jointly review the management letter with the City Council within 60 days of its receipt by the staff.

D. EXTERNAL AUDITORS RESPONSIBLE TO CITY COUNCIL – The external auditors are accountable to the City Council and will have access to direct communication with the City Council if the City staff is unresponsive to auditor recommendations or if the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

E. EXTERNAL AUDITOR ROTATION - A review of current CPA firm must be done every five years. This review does not necessarily result in change in the CPA firm. If appropriate, current CPA firm can be contracted for future annual audit. The City will not require external auditor rotation. The rotation of the audit firm will be based upon the proposals received, the qualifications of the firm, and the firm's ability to perform a quality audit.

F. EXTERNAL FINANCIAL REPORTING - The City will prepare and publish a Annual Comprehensive Financial Report (ACFR). The ACFR will be prepared in accordance with Generally Accepted Accounting Principles and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and possibly awarding of the Certification of Achievement for Excellence in Financial Reporting. The deadline to submit application to participate in the Certificate of Achievement for Excellence in Financial Reporting Program is six months from the end of the fiscal year. The CAFR will be published and presented to the City Council within 180 days after the end of the fiscal year. City staffing limitations may preclude such timely reporting. In such case, the Director of Finance will inform the City Manager and the City Manager will inform the City Council of the delay and the reasons, therefore.

G. CONTINUING DISCLOSURE – The Director of Finance will ensure that the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website is current and all disclosures are filed timely with assistance from the City’s Financial Advisor. EMMA is the official repository for information in virtually all municipal securities. Continuing disclosure includes annual disclosure required within 180 days of the fiscal year end, as well as material event disclosure required under the Securities and Exchange Commission (SEC) Rule 15c2-12 within 10 days of the occurrence of the event.

H. ARBITRAGE – The Director of Finance will ensure that the records are in order, the calculations made, reporting completed, and filings made, the actual arbitrage calculation and reporting shall be contracted out to a qualified firm. All bond issues in accordance with arbitrage regulation shall have each 5th year and final arbitrage calculations completed.

III. REVENUE MANAGEMENT

A. SIMPLICITY - The City will strive to keep the revenue system simple which will result in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in avoidance to pay. The City will avoid nuisance taxes, fees, or charges as revenue sources.

B. CERTAINTY - An understanding of the revenue source increases the reliability of the revenue system. The City will try to understand its revenue sources and enact consistent collection policies so that assurances can be provided that the revenue base will materialize according to budgets and plans.

C. EQUITY - The City will strive to maintain equity in the revenue system structure. That is, the City will seek to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and customers. However, it is recognized that public policy decisions may lead to subsidies in certain circumstances, e.g., senior citizen property tax exemptions.

D. ADMINISTRATION - The benefits of revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed annually for cost effectiveness as a part of the indirect cost, and cost of services analysis.

E. REVENUE ADEQUACY - The City will require that there be a balance in the revenue system. That is, the revenue base will have the characteristic of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.

F. COST/BENEFIT OF ABATEMENT - The City will use due caution in the analysis of any tax, fee, or water and wastewater incentives that are used to encourage development. Ideally, a cost/benefit (fiscal impact) analysis will be performed as a part of such analysis and presented to the appropriate entity considering using such incentive.

G. DIVERSIFICATION AND STABILITY - In order to protect the government from fluctuations in revenue source due to fluctuations in the economy, and variations in weather (in the case of water and wastewater), a diversified revenue system will be maintained.

H. NON-RECURRING REVENUES - One-time revenues may not be used for ongoing operations. Non-recurring revenues may be used only for non-recurring expenditures. Care will be taken not to use these revenues for budget balancing purposes.

I. PROPERTY TAX REVENUES - Property shall be assessed at 100% of the fair market value as appraised by the Rockwall County Central Appraisal District. Reappraisal and reassessment shall be done regularly as required by State law. A 98% collection rate will serve as a minimum for tax collection with a delinquency rate of 2% or less.

All delinquent taxes will be aggressively pursued, with delinquents greater than 150 days being turned over to the City Attorney or a private attorney, and a penalty assessed to compensate the attorney as allowed by State law, and in accordance with the attorney's contract. Annual performance criteria will be developed for the attorney regarding the collection of delinquent taxes.

J. USER-BASED FEES - For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be an annual review of fees and charges to ensure that fees provide adequate coverage of costs and services. User charges may be classed as "full cost recover," "partial costs recover," and "minimal cost recovery," based upon City Council policy.

K. IMPACT FEES - Impact fees will be imposed for water, wastewater, and transportation in accordance with the requirements of State law. The staff working with the particular impact fee shall prepare a semi-annual report on the capital improvement plans and fees. Additionally, the impact fees will be re-evaluated at least every five years as required by law.

L. GENERAL AND ADMINISTRATIVE CHARGES - A method will be maintained whereby the General Fund can impose a charge to the enterprise funds for general and administrative services (indirect costs) performed on the enterprise funds' behalf. The calculation will be based upon the percentage of personnel time and other resources attributed to the Enterprise Fund by each department of the General Fund. The details will be documented and said information will be maintained in the Finance Department for review.

M. UTILITY RATES - The City will review utility rates annually and, if necessary, adopt new rates to generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs. This policy does not preclude drawing down cash balances to finance current operations. However, it is best that any extra cash balance be used instead to finance capital projects.

N. UTILITY FUND BALANCE - The Utility Fund shall maintain a Fund Balance to protect ratepayers from excessive utility rate volatility. It will be funded with surplus revenues of the Utility Fund. The City's goal will be to maintain the Utility Fund Balance at 120 days of budgeted expenditures. The minimum 120 days unallocated fund balance will be used to avoid cash-flow interruptions, generate interest income, reduce need for short-term borrowing, assist in maintaining an investment-grade bond rating, and for rainy days.

O. INTEREST INCOME - Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the operating and capital budgets which, wherever possible, will be in accordance with the equity balance of the fund from which monies were provided to be invested.

P. REVENUE MONITORING - Revenues received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the appropriate budget report.

IV. EXPENDITURE CONTROL

A. APPROPRIATIONS - The level of budgetary control is the department level budget in the General Fund, and the fund level in all other funds. When budget adjustments between line items within a department, and between departments within a fund must be approved by the City Manager. However, budget amendments between funds must be approved by the City Council. Budget appropriation amendments at lower levels of control shall be made in accordance with the applicable administrative procedures.

B. CONTINGENCY ACCOUNT EXPENDITURES - The General Fund Contingency Account will be budgeted and approved by the City Council as a part of the budget process. The City Manager must approve all contingency account expenditures.

C. VACANCY FUNDS - Savings from position vacancies will be reviewed as a part of the midyear budget amendments and savings will be either allocated to other accounts by the City Manager approval or become unbudgeted funds to add to the ending fund balance.

D. CENTRAL CONTROL - Significant vacancy (salary) and capital budgetary savings in any department shall be discussed with the City Manager.

E. PURCHASING - All purchases shall be made in accordance with the City's purchasing policy. City procurements are governed by state and federal law, as well as the City Code of Ordinances. Authorization levels for appropriations previously approved by the City Council in the Operating Budget are as follows: Directors can authorize expenditures under \$25,000. The City Manager can authorize expenditures under \$50,000. Any purchases \$50,000 or over requires approval of the City Council. Strong ethical standards are required at all levels of the purchasing function.

F. PROFESSIONAL SERVICES - Professional services contracts consist of the following services: Certified Public Accountant, Architect, Physician, Optometrist, Surgeon, Surveyor, Engineer, Lawyer, Insurance Broker or Consultant, Construction Manager, Financial Advisors, Artist, Appraisers, Teachers, Landscape Architectural and Geoscientific. Professional services will generally be processed through a request for a proposals process, except for contracts less than \$50,000, or in cases approved by the City Manager, when rapid contracting is in the best interest of the City.

G. CONTRACT AUTHORITY – By statute, contracts greater than or equal to \$50,000 must be approved by Council, after which either the Mayor or the City Manager may then sign any necessary documents. By ordinance, contracts less than \$50,000 may be authorized and signed by the City Manager, provided there is an appropriation for such contract.

H. PROMPT PAYMENT - All invoices will be paid within 30 days of receipt in accordance with the prompt payment requirements of State law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. However, payments will also be reasonably delayed in order to maximize the City's investable cash, where such delay does not violate the agreed upon terms.

I. INFORMATION TECHNOLOGY - Certain General Fund information technology acquisitions will be centrally funded from the Information Technology Department. Business Activities Fund Type acquisitions are funded within its own fund. Acquisitions from this department may include all related professional services costs for researching and/or implementing an information technology project. Annual funding for replacements and for new technology will be budgeted in the IT department with the exception of the Business Activities Fund Type. Additional funding above the base amount may be provided for major projects with available one-time sources including debt proceeds and/or grants.

J. PREPAID EXPENDITURES – Final determination of expenditure coding in the General Ledger is assigned to the Finance Department. Expenditure coding must remain consistent. Purchased items must fit the description of the line item they are being charged to. Amounts of \$20,000 or more paid in advance or across budget years will be coded as prepaid items and charged to the next budget year. Department Directors are responsible for budgeting and paying these items accordingly.

V. OPERATING BUDGET

A. PREPARATION - The City's "operating budget" is the City's annual financial operating plan. It consists of governmental and proprietary funds, including the general obligation Debt Service Fund, but excluding capital projects funds. The budget is prepared by the City Manager with the assistance of the Finance Department and cooperation of all City departments. The City Manager transmits the document to the City Council. The budget should be presented to the City Council no later than August 15 or a date to be determined by the City Council and should be enacted by the City Council prior to fiscal year end. The operating budget will be submitted to the GFOA annually for evaluation and possible awarding of the Award for Distinguished Budget Presentation.

B. BALANCED BUDGETS -An Operating budget will be balanced, with current revenues, exclusive of beginning resources, greater than or equal to current expenditures/expenses except in cases of disaster or to make large capital replacement purchases from dedicated reserves.

C. PLANNING - The budget process will be coordinated so as to identify major policy issues for City Council.

D. REPORTING - Periodic financial reports will be prepared to enable the department directors to manage their budgets and to enable the Finance Department to monitor and control the budget as approved by the City Council. Monthly financial reports will be presented to the City Council. Such reports will include current year revenues and expenditures, and fund balance summary.

E. CONTROL - Operating Expenditure Control is addressed in Section IV of the Policies.

F. PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS – Where appropriate, performance measures and productivity indicators will be used as guidelines and reviewed for efficiency and effectiveness. This information will be included in the annual budgeting process.

VI. CAPITAL BUDGET AND PROGRAM

A. PREPARATION - The City's capital budget will include all capital projects funds and all capital resources. The budget will be prepared annually on a fiscal year basis and adopted by ordinance. The capital budget will be prepared by the City Manager with assistance from the Finance Department and involvement of all required City departments.

B. CONTROL - All capital project expenditures must be appropriated in the capital budget. Finance must certify the availability of resources so an appropriation can be made before a capital project contract is presented by the City Manager to the City Council for approval.

C. PROGRAM PLANNING - The capital budget will include capital improvements program for future years. The planning time frame should normally be five years. The replacement and maintenance for capital items should also be projected for the next five years at a minimum. Future maintenance and operations will be fully costed, so that these costs can be considered in the operating budget.

D. ALTERNATE RESOURCES - Where applicable, assessments, impact fees, or other user-based fees should be used to fund capital projects which have a primary benefit to certain property owners.

E. DEBT FINANCING - Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases. The City shall complete a debt capacity assessment before each bond issue to ensure that the proposed debt is affordable and contributes to the financial strength of the City.

F. STREET MAINTENANCE – City staff will review and monitor the state of the infrastructure annually, setting priorities for its maintenance and replacement. The City recognizes that deferred street maintenance increases future capital costs by an estimated 5 to 10 times. Therefore, the City's goal is to allocate a portion of the General Fund budget each year to maintain the quality of streets. The amount will be established annually so that repairs will be made amounting to a designated percentage of the value of the streets. Any new major improvement or addition of streets will be included in the capital improvement plan.

G. WATER/WASTEWATER MAIN REHABILITATION AND REPLACEMENT - The City recognizes that deferred water and wastewater main rehabilitation and replacement increases future costs due to loss of potable water from water mains and inflow and infiltration into wastewater mains. Therefore, to ensure that the rehabilitation and replacement program is adequately funded, the City's goal will be to dedicate an amount equal to at least 10%% of the surplus annually to provide for a water and wastewater main repair and replacement program.

H. REPORTING - Periodic financial reports will be prepared to enable the department managers to manage their capital budgets and to enable the Finance Department to monitor the capital budget as authorized by the City Manager.

I. SURPLUS FUNDS – All surplus funds may be transferred to Capital Replacement Funds or any other funds that may seem appropriate, after the close of each fiscal year per instruction of the City Manager and approved by the City Council.

VII. ASSET MANAGEMENT

A. INVESTMENTS - The City's investment practices will be conducted in accordance with the Public Funds Investment Act (PFIA), and City Council approved Investment Policies.

B. CASH MANAGEMENT - The City's cash flow will be managed to maximize the cash available to invest and to minimize idle cash.

C. INVESTMENT PERFORMANCE - A quarterly report on investment performance will be provided by the Director of Finance to the City Manager for presentation to the City Council.

D. FIXED ASSETS AND INVENTORY - These assets will be reasonably safeguarded, properly accounted for, and prudently insured.

E. SURPLUS ASSETS DISPOSAL- Surplus assets may be disposed per instruction of the City Manager.

VIII. INTERNAL CONTROLS

A. WRITTEN PROCEDURES - The Director of Finance is responsible for developing city-wide written guidelines on accounting, cash handling, and other financial matters which will be approved by the City Manager.

The Finance Department will assist department managers as needed in tailoring these guidelines into detailed written procedures to fit each department's requirements.

B. INTERNAL AUDIT - The Finance Department may conduct reviews of the departments to determine if the departments are following the written guidelines as they apply to the departments. Finance will also review the written guidelines on accounting, cash handling and other financial matters. Based on these reviews Finance will recommend internal control Improvements as needed.

C. DEPARTMENT DIRECTORS' RESPONSIBILITY - Each department director is responsible to the City Manager to ensure that good internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented, and that all independent auditor and Finance Department internal control recommendations are addressed.

IX. FINANCIAL CONDITION AND RESERVES

A. NO OPERATING DEFICITS - Current expenditures will be paid with current revenues. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. Reserves will be used only for emergencies on non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.

B. INTERFUND LOANS - Non-routine inter-fund loans shall be made only in emergencies where other temporary sources of working capital are not available and with the approval of the City Manager. Inter-fund; forgivable or non-forgivable loans may also be authorized for capital projects with the approval of the City Council as part of the City's regular budget process. At the time an inter-fund loan is considered, a plan to repay it shall also be considered. Or, the City Council may authorize to forgive the inter-fund loan partially or fully. A loan may be made from a fund only if the fund has ending resources in excess of the minimum requirement for the fund. Total inter-fund loans outstanding from a fund shall not exceed 50% of the ending fund balance for the fund. All inter-fund transfers must be approved by

the city council. If any inter-fund loan is to be repaid from the proceeds of a future debt issue, a proper reimbursement resolution will be approved at the time the loan is authorized.

C. FUND BALANCE POLICY-The City shall use the following guidelines to explain and define the purpose of fund balance, working capital and retained earnings of the various operating funds. The City will describe fund balance as follows:

- (1) **Un-spendable** - Portion of net resources that cannot be spent, i.e. assets that will never convert to cash or not convert during the current period, or resources that must be maintained intact pursuant to legal or contractual requirements.
- (2) **Restricted** - Portion of net resources that are required to be reserved by external legal restrictions such as debt covenants, grantors, contributors or other governments.
- (3) **Committed** - Portion of fund balance that represents resources whose use is constrained by limitations that the City imposes upon itself by council action and require council action to release.
- (4) **Assigned** - portion of fund balance that reflects the City's intended use of resources.
- (5) **Unassigned**-surplus fund balance.

The City shall use the following guidelines to maintain the fund balance, working capital and net assets of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

General Fund Unassigned Fund Balance-The City shall strive to maintain the General Fund unassigned fund balance at an amount equal to a minimum 120 days of the general operating budget. The City will maintain an unallocated fund balance of an amount equal to a minimum of 120 days of the general operating budget. Any excess above the minimum will be reviewed and authorized annually by the City Council and may be designated to the Capital Improvement Program and the Equipment Replacement Program, or any other programs the City Council may seem appropriate. The minimum 120 days unallocated fund balance will be used to avoid cash-flow interruptions, generate interest income, reduce need for short-term borrowing, assist in maintaining an investment-grade bond rating, and for rainy days.

Enterprise Fund Working Capital-The City shall strive to maintain a positive unrestricted net assets position to provide sufficient reserves for emergencies and revenue shortfalls. The unallocated fund balance in Water and Waste Water at an amount equal to 120 days of the operating budget.

Use of Fund Balance/ Net Assets-Fund Balance-Net Assets shall be used only for emergencies, non-recurring expenditures, major capital purchases that cannot be accommodated through current year savings, and as designated by Council. Should such use reduce the balance below the appropriate level set as the objective for that fund, recommendations will be made on how to restore it.

Periodic review of cash flow position shall be performed to determine performance of cash management and investment policies. A detailed policy structure shall be followed with respect to Cash/Treasury Management. The underlying theme shall be that idle cash shall be invested with the goals and objectives as identified in the City's Investment Policy.

D. RISK MANAGEMENT PROGRAM - The City will aggressively pursue every opportunity to provide for the public's and City employees' safety and to manage its risks.

E. LOSS FINANCING - All reasonable options will be investigated to finance losses. Such options may include risk transfer, insurance and risk retention.

F. ENTERPRISE FUND SELF-SUFFICIENCY - The City's enterprise funds' resources will be sufficient to fund operating and capital expenditures. The enterprise funds will pay (where applicable) their fair share of general and administrative expenses, in-lieu-of-property taxes and/or franchise fees. If an

enterprise fund is temporarily unable to pay all expenses, then the City Council may waive general and administrative expenses, in-lieu-of-property taxes and/or franchise fees until the fund is able to pay them. The City Council may pay out-of-pocket expenses that a fund is temporarily unable to pay with inter-fund loans, to be repaid at a future date.

X. DEBT MANAGEMENT

A. GENERAL - The City's borrowing practices will be conducted in accordance with the prudent industry practices and subject to City Manager approval.

B. SELF-SUPPORTING DEBT - When appropriate, self-supporting revenues will pay debt service in lieu of tax revenues.

C. ANALYSIS OF FINANCING ALTERNATIVES - The City will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves or current monies.

D. VOTER AUTHORIZATION - The City shall obtain voter authorization before issuing General Obligation Bonds as required by law. Voter authorization is not required for the issuance of Revenue Bonds. However, the City may elect to obtain voter authorization for Revenue Bonds.

XI. GRANTS FINANCIAL MANAGEMENT

A. GRANT SOLICITATION - The City Manager will be informed about available grants by the departments and will have final approval over which grants are applied for. The grants should be cost beneficial and meet the City's objectives.

B. RESPONSIBILITY - Departments will oversee the day to day operations of grant programs, will monitor performance and compliance, and will also keep the Finance Department informed of significant grant-related plans and activities. Departments will also report re-estimated annual revenues and expenses to the Finance Department as needed. Finance Department staff members will serve as liaisons with grantor financial management personnel and will keep the books of account for all grants.

C. PROCUREMENT - All goods and services obtained through grants are subject to City purchasing policies and must be coordinated with the Finance Department. All applicable procurement requirements of federal and state grant fund regulations, other applicable laws and regulations, and Office of Management and Budget (OMB) circulars apply to the use of grant funds.

XII. FIVE YEAR FINANCIAL PLANS

A. CAPITAL IMPROVEMENT PLAN – The City shall prepare annually a five-year Capital Improvement Plan that incorporates all capital funds, existing and planned showing planned projects by phase and by fiscal year. The first year of this CIP shall constitute the City's capital budget for the year.

B. LONG TERM FINANCIAL FORECAST – The City shall prepare annually a long-term financial forecast that projects revenue and expenditures for the General Fund, Utility Fund, Debt Service Fund, and any other major fund for a five-year period. The forecast shall attempt to determine the impact on future revenue and expenditures from changes in the economy, population change, and planned bond sales.

XIII. RECESSION PLAN

Economic cycle is the natural fluctuation of the economy between periods of growth, peak, contraction, and recession. Factors such as gross domestic product, interest rates, levels of employment, and consumer spending can help to determine the current state of the economic cycle. So, economic downturn is inevitable for any City. When confronted with revenue shortfall and/or recession, local governments are under tremendous pressure to focus on immediate needs at the expense of long-term investments. A good strategic plan has the potential to enable cities to weather the effects of fiscal crisis. City officials can use the information gathered through internal and external scanning to implement fiscal policy that can minimize government's exposure to economic crisis.

The City has established a plan, including definitions, policies, and procedures to address financial conditions that could result in a net shortfall of resources as compared to requirements. This strategic plan provides a framework for day-to-day operations and long-term investments.

The Plan is divided into the following three components:

1. **Indicators** – which serve as warnings that potential budgetary impacts are increasing in probability. The City will monitor key revenue sources such as property tax, sales tax, franchise fees, and building licenses and permits, as well as national and state trends. By keeping up with national and state economic indicators, the City will be able predict the current economic cycle and act accordingly. The City management team keeps up with the economic cycle. The City management team will provide a market update to the City Council on a monthly basis.
2. **Phases** – which will serve to classify and communicate the severity of the situation, as well as identify the actions to be taken at the given phase.
3. **Actions** - which are the preplanned steps to be taken in order to prudently address and counteract the anticipated shortfall. Planned actions must be designed to cope with the economic cycle. You don't need to do much when the economy is going through expansion, and peak. Care should be taken to build up reserves for contraction, and recession. When economy is going through contraction, the City management team must educate the whole City staff; and prepare the City for the tough times ahead.

The recession plan and classification of the severity of the economic downturn will be used in conjunction with the City's policy regarding the importance of maintaining revenues to address economic uncertainties. As always, the City will look to ensure that revenues are calculated adequately to provide an appropriate level of city services. As any recessionary impact reduces the City's projected revenues, corrective action will increase proportionately. Following is a summary of the phase classifications and the corresponding actions to be taken.

- A. **Level 1 - AWARENESS:** An anticipated net reduction in available projected revenues from 3% to 5%. The actions associated with this phase would best be described as delaying expenditures where reasonably possible, while maintaining the "Same Level" of service. Each department will be responsible for monitoring its individual budgets to ensure only essential expenditures are made.
- B. **Level 2 - MINOR:** A reduction in projected revenues in excess of 5%, but less than 15%. The objective at this level is still to maintain "Same Level" of service where possible. Actions associated with this level would be as follows:
 - a. Implementing the previously determined "Same Level" Budget.
 - b. Intensifying the review process for large items such as contract services, consulting services, and capital expenditures, including capital improvements. Previously approved capital project expenditures which rely on General Fund surplus for funding should be subject to review by the City Manager and Finance Director.

- a. Closely scrutinizing hiring for vacant positions, delaying the recruitment process, and using temporary help to fill in where possible (soft freeze). The City Manager and Human Resources Director will review all personnel action with heightened scrutiny, including career development and interim reorganizations, to ensure consistency and equitable application of the soft freeze across the organization.
 - b. Closely monitoring and reducing expenditures for optional travel, seminars, retreats, and bonuses.
 - c. Identifying expenditures that would result in a 5% cut to departmental operating budgets while still maintaining the same level of service where possible.
 - d. Reprioritizing capital projects with the intent to de-obligate non-critical capital projects.
 - e. Limit access to contingency funds.
- C. Level 3 - MODERATE:** A reduction in projected revenues in excess of 15%, but less than 30%. Initiating cuts of service levels by doing the following:
- a. Requiring greater justification for large expenditures.
 - b. Deferring non-critical capital expenditures.
 - c. Reducing CIP appropriations from the affected fund.
 - d. Hiring to fill vacant positions only with special justification and authorization.
 - e. Identifying expenditures that would result in a 10% cut to departmental operating budgets while trying to minimize service level impacts where possible.
 - f. Eliminate access to contingency funds.
- D. Level 4 - MAJOR:** A reduction in projected revenues of 30% to 50%. Implementation of major service cuts.
- a. Instituting a hiring freeze.
 - b. Reducing the Part-time Non-Benefited and Seasonal work force.
 - c. Deferring merit wage increases.
 - d. Further reducing capital expenditures.
 - e. Preparing a strategy for reduction in force.
- E. Level 5 - CRISIS:** A reduction in projected revenues in excess of 50%.
- a. Implementing reduction in force or other personnel cost-reduction strategies.
 - b. Eliminating programs.

Deferring indefinitely capital improvements. If an economic uncertainty is expected to last for consecutive years, the cumulative effect of the projected reduction in reserves will be used for determining the appropriate phase and corresponding actions.

XIV. STAFFING AND TRAINING

- A. ADEQUATE STAFFING** - Staffing levels will be adequate for the fiscal functions of the City to function effectively. Overtime shall be used only to address temporary or seasonal demands that require excessive hours. Workload scheduling alternatives will be explored before adding staff.
- B. TRAINING** - The City will support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues.

will be held accountable for communicating, teaching, and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.

XV. ANNUAL REVIEW

A. ANNUAL REVIEW - These Policies will be reviewed administratively by the Finance Director and City Manager at least annually and will be presented to the City Council by the Finance Department for confirmation of any significant changes.

XVI. RELATED PARTY TRANSACTIONS

A. RELATED PARTY TRANSACTIONS - Maintaining tight controls over financial reporting requires oversight of many different business transactions. One such transaction involves related parties. The main consideration with a related party is, does a relationship exist prior to the business transaction that could affect the decision making or impact the financial reporting for the organization. Finance department requires annual review with councilmembers and executive staff and require them to submit a related party transaction questionnaire to help them self-identify the relationship as part of the annual financial audit.

XVII. DONATIONS

A. DONATIONS – Donations allow citizens to make valuable contributions to the City of Fate and should be encouraged. Persons, community groups and business entities making donations to the City should not expect in return any reward, reciprocal benefit, or influence. Donations may be in the form of money or in-kind contributions of products, services, investment securities, real property, or any contribution thereof. A donation may be unrestricted, where the donor has placed no limitation on its use, or restricted, where the donor has restricted its use to a specified purpose or placed other conditions.

B. AUTHORITY – The City Manager is authorized to accept donations less than \$50,000 in value. The City Council must accept donations of \$50,000 or greater.

C. ACCOUNTING – Donations should be documented to ensure transparency of government, enable measurement of the value and usefulness of the donation, and allow for audits. City officials, employees, and departments receiving a donation to the city shall report the donation to the City Manager and Finance Director on a designated form. The report must include the date of donation, description of the donation, the estimated value of the donation, and the actual use of the donation. The report must be filed within 30 days of receipt of the donation. The finance department records the donation in the books.

XVIII. CAPITALIZATION

A. PURPOSE – This establishes the minimum cost that shall be used to determine the capital assets that are to be recorded as capital assets in City of Fate's financial statements.

B. CAPITAL ASSETS - Capital Assets include land, land improvements, buildings, building improvements, machinery and equipment, vehicles, infrastructure, easements, works of art, historical treasures, etc.

C. DEFINITION - A Capital Asset is defined as a unit of property that (1) has an economic useful life of 24 months; **and** (2) was acquired and produced for a cost of \$5,000 or more. The established criteria for capitalization applies to individual items rather than to groups of similar items. To maintain adequate control over non-capitalized tangible items, items costing less than \$5,000 are monitored and tracked through the City's financial software system.

D. CAPITALIZATION – Capitalization of an asset occurs when the cost of the asset meets the “threshold” and “estimated useful life” set in the financial policy. Capital Assets must be capitalized and depreciated in the accounting records. Tangible assets costing below the aforementioned threshold amount or assets with an economic useful life less than 24 months are recorded as an expense in the accounting records.

E. COST – All Capital Assets are recorded at historical cost as of the date acquired. All donated assets are recorded at fair market value as of the date donated. The fair market value would be the amount paid if the item were sold currently in a transaction between a willing buyer and a willing seller.

F. ESTIMATED USEFUL LIVES – The following ranges are guidelines in setting estimated useful lives for depreciating assets:

- a. Infrastructure 15 – 50 years
- b. Buildings 45 years
- c. Improvements 15-20 years
- d. Machinery and equipment 5-10 years

FINANCIAL MANAGEMENT POLICY

CITY OF FATE, TEXAS

Investment Policy

Effective October 3, 2022



City of Fate, Texas
Investment Policy
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I. Policy

It is the Policy of the City of Fate, Texas (hereinafter referred to as the "City") that, after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment income is a source of revenue to the City's funds. The City's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of (a) safety and preservation of principal, (b) maintenance of sufficient liquidity to meet operating needs, and (c) optimization of interest earnings on the portfolio.

II. Purpose

The purpose of this document is to set forth specific Investment Policy guidelines for the City in order to achieve the goals of safety, liquidity and yield for all investment activity. The City Council of the City shall review its Investment Policy not less than annually. This Policy serves to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act")) to define, adopt and review a formal Investment Policy.

III. Scope

PFIA 2256.002(9)

This Investment Policy shall govern the investment of all financial assets of the City. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:

- * General Fund
- * Special Revenue Funds
- * Debt Service Funds
- * Capital Projects Funds
- * Enterprise Fund

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. City funds are pooled for investment purpose.

IV. Investment Objectives

The City shall manage and invest its cash with three primary objectives, listed in order of priority: **safety, liquidity, and yield**. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner consistent with state and local law.

The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, vendor payment in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum earnings on short-term investment of idle cash.

Safety

PFIA 2256.005(b) (2)

The primary objective of the investment program is the safety of principal. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Each

investment transaction shall seek first to ensure that principal losses are avoided, whether they are from securities default or erosion of market value. However, it must be understood that an element of risk is inherent with all types of investments. Recognition of and minimization of risk is the responsibility of the Investment Officer. The objective will be to mitigate credit and interest rate risk.

- Credit Risk: The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
 - * Limiting investments to the safest types of investments,
 - * Pre-qualifying the financial institutions, broker/dealers and advisors with whom the City will do business, and
 - * Diversifying the investment portfolio so that potential losses from any type of security or from any one individual issuer will be minimized.
- Interest Rate Risk: The City will minimize the interest rate risk, which is the risk that the market value of investments in the portfolio will fall due to changes in general interest rates by:
 - * Structuring the investments portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity,
 - * Investing operating funds primarily in short-term securities, certificates of deposit or local government investment pools, and
 - * Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity

PFIA 2256.005(b) (2)

The City's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that the investments mature concurrently with cash needs to meet anticipated demands. All or a portion of the portfolio will be invested in local government investment pools which offer same-day liquidity.

Yield

PFIA 2256.005(b) (3)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance to the safety, liquidity, and yield objectives described above.

V. Responsibility and Control

Delegation of Authority

PFIA 2256.005(f)

City employees authorized to engage in investment transactions and authorized as Investment Officer is the Director of Finance. Management responsibility for the investment program is delegated from the City Manager to the Director of Finance who shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Investment procedures should include reference to the following: safekeeping agreements, repurchase agreements, wire transfer agreements, collateral agreements, depository service contracts and agreements, broker/dealer selection criteria, and security bidding and purchase processes. The Investment Officer is authorized to execute investment transactions on behalf of the City. No person may engage in an investment transaction or the

management of City funds except as provided under the terms of this Investment Policy as approved by the City Council. The investment authority granted to the Investment Officer is effective until rescinded by the City Council.

Quality and Capability of Investment Management

PFIA 2256.005(b) (3)

The City shall provide periodic training in investments for Director of Finance through courses and seminars provided by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act.

Training Requirement

PFIA 2256.008

The Director of Finance shall attend at least one training session relative to the responsibilities under the PFIA within twelve months after taking office or assuming duties; and attend an investment training session not less than once in a two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities from an independent source approved by the City Council.

In addition to initial training requirement, the Director of Finance of the City shall attend an investment training session not less than once in a two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight hours of instruction relating to investment responsibilities from an independent source approved by the City Council.

For purposes of this Policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education, or any other sponsor other than a business organization with whom the City may engage in an investment transaction.

Internal Controls

PFIA 2256.005(m)

The Director of Finance is responsible for establishing and maintaining appropriate internal controls. The Investment Officer is responsible for executing investment transactions and the Accounting division is responsible for preparation of general ledger journal entries based on documentation prepared by the Investment Officer.

The Director of Finance shall establish a process for annual independent review by an external auditor for compliance of management controls on investments and adherence to the City's established Investment Policies.

Prudence

PFIA 2256.006(a-b)

Investment shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by Investment Officer shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Investment Officer, acting in accordance with written procedures and the Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

Investment Officer shall seek to act responsibly as custodians of the public trust. Investment Officer shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

Ethics and Conflicts of Interest

PFIA 2256.005(i)

An Investment Officer of the City who has a personal business relationship, as described in Texas Government Code 2256.005(i), with any qualified representative offering to engage in an investment transaction with the City, shall file a statement disclosing that personal business interest with the Texas Ethics Commission and the City Council.

An Investment Officer of the City who is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to engage in an investment transaction with the City shall file a statement disclosing that relationship with the Texas Ethics Commission and the City Council.

VI. Suitable and Authorized Investments

Portfolio Management

The City shall pursue an active versus a passive portfolio management philosophy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity, however securities may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the City require that the investments be liquidated.

The Investment Officer will routinely monitor the contents of the portfolio, the available markets, and the relative value of competing instruments, and will adjust the portfolio accordingly.

Investments

PFIA 2256.005(b) (4) (A-B), PFIA 2256.017, PFIA 2256.021, PFIA 2256.009(b) (1-4), and PFIA 2256.013

Assets of the City governed by this Policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investments of City funds in any instrument or security not authorized for investment under the Act is prohibited. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

Authorized:

- 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 of and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
- d. Obligations of the 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. An Investment Officer of the City who is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to engage in an Collateralized or insured certificates of deposit and other evidences of deposit at federally insured bank, fully guaranteed or insured by the FDIC (Federal Deposit Insurance Corporation) in the State of Texas.

- f. Fully collateralized direct repurchase agreements provided the City has on file a signed Master Repurchase Agreement, approved by the City Council, which details eligible collateral, collateralization ratios, standards, for collateral custody and control, collateral valuation, and conditions for agreement termination and provided the repurchase agreement: 1. Has a defined termination date; 2. Is secured by obligation of the United States or its agencies and instrumentalities; 3. Requires the securities being purchase by the City to be assigned to the City held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City ; and 4. Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state. Public Funds Investment Pool as defined by section 2256.016 of the Public Funds Investment Act and approved by the City Council. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. To be eligible to receive funds from and invest funds on behalf of the City, an investment pool must furnish to the City an offering circular and other information required by the Public Funds Investment Act.
- g. A public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily and, to the extent reasonably possible, stabilized at a \$1 net asset value. And must maintain a maximum average dollar weighted maturity that does not exceed 90 days; and "Any investment pool that does not meet the requirements of one that is created to function as a money market mutual fund, must maintain a maximum average dollar weighted maturity that does not exceed 365 days (or 366 days in the case of a leap year) and must provide a fixed interest rate and fixed maturity term for each pool position."
- h. Commercial Paper having a stated maturity of 270 days or fewer from the date of 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.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

Not Authorized:

The Investment Officer shall not knowingly permit City funds to be invested with any of the following investment instruments that are strictly prohibited:

- A. Obligations whose payment represents the coupon payments of the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal;
- B. Obligations whose payment represents the principal stream of cash flow from underlying mortgage-backed security collateral and bears no interest;
- C. Collateralized mortgage obligations that have a stated final maturity date of 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.

VII. Investment Parameters

Maximum Maturities

The longer the maturity of investments, the greater the price volatility is. Therefore, it is the City's Policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates. The City attempts to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than three (3) years from the date of purchase; except the Restricted Reserves required by bond covenants may be invested for maximum maturity of five years at the time of purchase. An average remaining maturity of 365 days or less shall be maintained on bond proceeds subject to arbitrage rebate restriction, and the total portfolio average remaining maturity shall not exceed one year

Diversification

PFIA 2256.005(b) (3)

The City recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification which shall be achieved by the following general guidelines:

Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding certificates of deposit that are fully insured and collateralized in accordance with state and federal law), and

Continuously investing a portion of the portfolio in readily available funds such as local government pools (LGIPs) to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the City's total portfolio:

- U. S. Treasury Securities.....100%
- U. S. Agencies and Instrumentalities.....75%
- Certificates of Deposit.....50%
- Repurchase Agreements.....50%
- Municipal & County Securities.....75%
- Authorized Pools.....100%
- State of Texas Securities.....50%

VIII. Selection of Financial Institutions

Depository

At least every five (5) years a depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by a competitive bid, and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information for financial statements for the periods specified,
- The ability to meet all requirements in the banking RFP,
- Complete response to all required items on the bid form, and
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.

Certificates of Deposit

Banks seeking to establish eligibility for the City's competitive certificate of deposit purchase program shall submit for review annual financial statements, evidence of federal insurance and other information as required by the Investment Officer.

Securities Dealers

PFIA 2256.005(k-l) and PFIA 2256.025

For brokers and dealers of government securities, the City shall select only those dealers reporting to the Market Reports Division of the Federal Reserve of New York, also known as the "Primary Government Security Dealers", unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. Investment Officer shall not knowingly conduct business with any firm with whom public entities have sustained losses on investment. All securities dealers shall provide the City with references from public entities which they are currently serving. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- Audited financial statements,
- Proof of National Association of Securities Dealers (NASD) certification,
- Proof of state registration,
- Completed broker/dealer questionnaire,
- Certification of having read the City's Investment Policy signed by a registered principal of the organization, and
- Acknowledgement that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment transactions conducted between the City 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 City's entire portfolio or requires an interpretation of subjective investment standards.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Investment Officer.

Competitive Bidding

All individual security purchases and sales (excluding transactions with money market mutual funds, local government investment pools) require that at least three competitive offers or bids must be received.

IX. Safekeeping of Securities and Collateral

Safekeeping Agreement

Investments in U. S. Treasury agency and instrumentality obligations and municipal securities purchased by the City and securities pledged as collateral for certificates of deposit or other evidence of deposit and for repurchase agreements shall be retained in safekeeping in a third party safekeeping bank or in the Federal Reserve Bank in the City's name. The City, financial institution, and the safekeeping bank(s) shall operate in accordance with a master safekeeping agreement signed by all three parties.

The City's designated Investment Officer must approve release of collateral in writing prior to its release from the safekeeping account.

Securities owned by the City and collateral securities pledged to the City which must be maintained in safekeeping at a bank other than the bank through which the specific owned security is purchased or from which the specific collateral security is pledged.

Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the Policy of the City to require full collateralization of all City funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less than an amount insured by the FDIC. Collateralization is required on the time and demand deposits over the FDIC insurance coverage of \$250,000 and repurchase agreements. At its discretion, the City may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The City Manager or his/her designee is entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provision relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

Collateral Defined

The City shall accept only the following types of collateral:

- Federal Deposit Insurance Corporation coverage,
- Obligations of the United States or its agencies and instrumentalities,
- Direct obligations of the State of Texas or its agencies and instrumentalities,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less,

Subject to Audit

PFIA 2256.023(d)

All collateral shall be subject to inspection and audit by the Investment Officer or the City's independent auditors.

Delivery v. Payment

PFIA 2256.005(b) (4) (E)

All investments purchased by the City and held in safekeeping in a third-party safekeeping institution shall be purchased "delivery versus payment." That is, the City shall authorize the release of its funds only after it has received notification from the safekeeping bank that a purchased security has been received in the City's safekeeping account. This notification may be oral, but will be followed up in writing with the original safekeeping receipt.

X. Performance

Performance Standards

The City's investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirement of the City. Weighted average yield to maturity shall be the portfolio's performance standard.

Performance Benchmark

PFIA 2256.005(b) (4) (C)

It is the Policy of the City to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the City shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The City's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days.

XI. Reporting

Quarterly Reporting

PFIA 2256.023

The Investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed by the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter. The quarterly investment report is reviewed by the independent auditor.

The quarterly investment report shall include a summary of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the City Council, and will include the following:

- A listing of individual securities held at the end of the reporting period,
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity or portfolio on entity investments as compared to applicable benchmark,
- Listing of investments by maturity date,
- The percentage of the total portfolio which each type of investment represents, and
- A statement of compliance of the City's investment portfolio with State Law and the investment strategy and Policy approved by the City Council.

Monitoring Market Value

PFIA 2256.005(b) (4) (D)

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

Any Authorized Investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. The City shall monitor the rating of each investment, as applicable, at least quarterly, and take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating

XII. Investment Policy Adoption

PFIA 2256.005€

The City's Investment Policy shall be adopted by resolution of the City Council. It is the City's intent to comply with state laws and regulations. The City's Investment Policy shall be subject to revisions consistent with changing laws, regulations, and needs of the City. The City Council shall adopt a resolution stating that it has reviewed the Policy and investment strategies annually, approving any changes or modifications.

XIII. Investments Strategy

PFIA 2256.005(d)

The City shall manage and invest with primary objectives listed in order of importance; suitability, safety, liquidity, marketability, diversification, and yield.

Suitability - Any investment eligible in the Investment Policy is suitable for Operating Funds (including debt service and other pooled funds).

Safety of Principal - All investments shall be high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity for the Operating Fund's portfolio to less than 300 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the overall portfolio.

Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term deposits, investment pools, and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure out through two years will reduce market cycle risk.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling six-month Treasury bill portfolio will be the minimum yield objective.

The City shall maintain an investment portfolio that utilizes specific investment strategy considerations designed to address the unique characteristics of its various fund groups. In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Authorized securities will be of the highest credit quality, and when not matched to liabilities, they will be short-term and liquid. The portfolio will be diversified to avoid market and credit risks. Diversification and full liquidity requirements will be met through the use of investment pools and certificates of deposit. Investment guidelines by fund type are as follows:

Investment strategies for operating funds and commingled cash pools containing operating funds have their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles.

Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.

Investment strategies for 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. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities. The stated final maturity dates of securities held should not exceed five years.

Investment strategies for special projects or special purposed fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates for securities held should not exceed the estimated project completion date.

Exhibit A
City of Fate, Texas
Authorized Investment Officials

Raju Anthony, Director of Finance
Michael Kovacs, City Manager
Justin Weiss, Assistant City Manager

EXHIBIT B
City of Fate, Texas
Statement of Ethics and Conflicts of Interest

Investment Officers for the City of Fate shall refrain from personal business relationships with business organizations that could conflict with the proper execution of the investment program, or which could impair their ability to make partial investment decisions. This would only apply to personal business relationships with business organizations that have been approved by City Council to conduct investment transactions with the City of Fate

An investment official is considered to have a personal business relationship with a business organization if:

- 1) The investment official owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business.
- 2) Funds received by the investment official from the business organization exceed 10 percent of the investment official's gross income for the previous year.
- 3) The investment official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment official.

I do hereby certify that I do not have a personal business relationship with any business organization approved to conduct investment transactions with the City of Fate, nor am I related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the City of Fate as of the date of this statement.

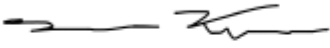
City of Fate Investment Officers



Raju Anthony, Director of Finance

10/10/2022

Date



Michael Kovacs, City Manager

10/10/22

Date



Justin Weiss, Assistant City Manager

10/10/2022

Date

EXHIBIT C
City of Fate, Texas
Approved Broker/Dealers, Financial Institutions and Investment Pools

Broker/Dealers

Cantor Fitzgerald & Company
Duncan Williams, Inc.
FTN Financial
Hilltop Securities
Samco Capital Markets

Public Depositories

Independent Bank

Custodian Bank

BOK Financial

Paying Agents

Amegy Bank
Bank of America Merrill Lynch
Bank of New York Mellon
BOK Financial
Independent Bank
Union Bank
Wilmington Trust

Investment Pools

Texas Class
TexPool
TexStar
TexasTERM

EXHIBIT D
City of Fate, Texas
Certification by Business Organization - EXAMPLE

(date)

City of Fate, Texas

(Attn: Designated Investment Official)

1900 CD Boren Parkway, Fate, TX 75087

Dear Mr./s. (investment official):

This certification is executed on behalf of the City of Fate, Texas (the Investor) and _____
_____(the Business Organization), pursuant to the Public Funds
Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment
transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of
the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an
investment transaction with the Investor (Note: as such terms are used in the Public Funds
Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Qualified Representative of the Business Organization has received and reviewed the
Investment Policy furnished by the Investor and;
3. The Qualified Representative of the Business Organization has implemented reasonable
procedures and controls in an effort to preclude investment transactions conducted between the
Business Organization and the Investor that are not authorized by the Investor's Investment Policy,
except to the extent that this authorization is dependent on an analysis of the makeup of the
investor's entire portfolio or requires and interpretation of the subjective investment standards,
or has implemented reasonable procedures and controls in an effort to preclude investment
transactions conducted between the entity and the organization that are not authorized by the
Investor's Investment Policy.

Qualified Representative

Signed by: _____

Printed Name: _____

Title: _____

Date: _____

PURCHASING POLICY

CITY OF FATE, TEXAS

Purchasing Policy

Effective October 3, 2022



City of Fate, Texas
Purchasing Policy
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I. OVERVIEW

The City of Fate 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 Director s may have the authority to spend within their budget, they must follow specific purchasing procedures and possess and understanding of the procedures, to ensure a fair purchasing process.

II. PURPOSE

The purpose of the Purchasing Policy and Procedures is to provide the necessary basic instructions, guidelines and information for the procurement of equipment, materials, supplies, services, rentals, leases, independent contractor agreements and other goods or services for the City of Fate. The efficiency and effectiveness of any public and private sector purchasing program is founded on sound principles of management decision-making. This Purchasing Policy and Procedures defines basic principles of purchasing and is incorporated into the City's Financial Policy Manual.

III. BASIC PRINCIPLES OF PURCHASING AND INTERNAL CONTROL

The City of Fate utilizes comprehensive checks and balances to ensure the propriety of the Purchasing Policy and minimize risks and errors and the possibility of collusion and fraud. Some of the basic purchasing principles and goals the City employees should be aware of include:

- New vendors/suppliers are investigated and evaluated.
- New vendors/suppliers are approved before adding to vendor Master File List.
- Competitive prices are evaluated and obtained.
- Obsolete vendors/suppliers or those that are no longer used are deactivated and purged from the vendor Master File List.
- Purchases are made with the appropriate level of authorization and approval.
- Purchase Orders are properly prepared and authorized.
- Purchases that exceed a department's budget are prohibited.
- Accounts payable disbursements are made with the proper approval.
- Receipt, custody and verification of goods and services are documented.
- Prices charged on vendor/suppliers' invoices match the Purchase Order or pricing program.
- Amounts that are recorded in or disbursed from accounts payable match the approved vendor/supplier invoice(s).
- Volume purchase discounts should always be taken whenever available.
- Outstanding credit memos should be routinely reviewed and applied to current or future vendor/supplier invoices.
- Vendor/supplier invoices are coded to the correct general ledger account.
- Purchases that have been made are always recorded in the accounts payable program and paid on a timely basis.

- When accounts payable disbursements are made, checks are printed and shown as paid.
- Manual check payments are recorded in the general ledger.
- Payments are recorded in the proper accounting period.
- Personnel who are authorized to purchase must ensure that the State of Texas bidding and purchasing laws and standards are carefully and scrupulously followed.

Each department Director must make sure that the foregoing principles and guidelines and all other provisions of Purchasing Policy and Procedures are in effect before order are placed with vendors/suppliers. Additionally, each department Director must ensure that adequate supporting documentation is requested and received from vendors/suppliers to completely and accurately describe the goods and/or services purchased and received.

IV. SPENDING LIMIT AND AUTHORITY

To assure proper transparency, financial controls and budget availability, spending limits are set and assigned a specific approval process. This process must be carried out prior to committing the City to a purchase and be considered an authorized purchase. The City recognizes the occasional need for emergency purchases as part of the nature of providing city services. Thus, in the case of emergency purchases, the following procedures must be followed as closely as possible. It will be the department Director 's responsibility to follow up with the appropriate procedures, paperwork and approvals after the emergency is over, as well as notify the City Manager of the "out of policy" spending upon opening the following business day.

- A. Purchases up to \$4,999.99** – The P-Card card may be used to make purchases of up to \$4,999.99. An employee must obtain verbal or written approval from the Department Director, or Assistant Director, or Department Head, or Captain, or Lieutenant before any purchases of \$250.00 or more. No department director approval is required for purchases less than \$250.00. No Purchase Order is required; however, a receipt and authorization is required
- B. Purchases of \$5,000.00 to \$24,999.99** – A purchase order and minimum 3 telephone orders are required. The Department Director, or Assistant Director, or Department Head, or Captain, or Lieutenant approval is required prior to making a purchase.
- C. Purchases of \$25,000.00 to \$49,999.99** – A purchase order and three written quotes must be provided by the vendor/supplier. Department Director, or Assistant Director, or Department Heads, or Captain, or Lieutenant, and Finance Director, and City Manager approval is required prior to making a purchase.
- D. Purchases of \$50,000.00 or more** – A purchase order and three sealed bids are required by state law. Department Director, or Assistant Director, or Department Head, or Captain, or Lieutenant, and Finance Director, and City Manager and City Council approval is required prior to making a purchase. A Purchase Order is not required unless otherwise requested by the vendor/supplier.

The amount to be expended must be a budgeted item, regardless the size of the purchase. If it is not within the budget, it **cannot** be spent.

V. PURCHASES OF \$50,000.00 OR MORE

Purchases of \$50,000 or more must be approved by the Department Director, or Assistant Director, or Department Head, or Captain, or Lieutenant, and Finance Director, and City Manager, and an approval of the City Council is required.

State of Texas Local Government Code, Section 252.021 provides that purchases estimated at greater than \$50,000.00 require advertising which requests sealed bids or proposals.

VI. PURCHASE REQUISITION

A purchase requisition is a document generated by the user department to notify the finance department of items it needs to order, quantity, and the timeframe. It is the first step towards ordering the goods or services. It includes a system of authorization and safeguards so that improper or illegal purchasing is difficult both to initiate and to conceal.

The requisition form must be signed by the Department Director, or Assistant Director, or Department Head, or Captain, or Lieutenant before it is forwarded to the Finance Department to issue a purchase order.

The requisition form originates in the using department. Preparation must be done far enough ahead of the date that goods/services are needed to allow sufficient time for processing, including:

- Obtaining bids or price quotations
- Processing bids, placing purchase orders or concluding contracts
- Allowing delivery of goods and services

Attach quotes to the requisition and forward to Finance. A department must determine the availability of the funds in the appropriate category before requesting any purchase. The Finance Department will return the purchase requisition if funds are not available until the department addresses this issue.

VII. PURCHASE ORDER

A Purchase Order (PO) is a document created by the finance department. Once the user department has approved the purchase requisition, and the desired quantity and price has been determined for the goods and services, the finance department issues the purchase order to the vendor. The purchase order initiates the procurement process. A Purchase Order represents a binding and enforceable agreement with a vendor/supplier to provide the goods and/or services in accordance with the terms and conditions of the Purchase Order and associated documents. When purchase order is executed, Finance staff enters the information into the accounting system and creates an "encumbrance" against the line item identified in the purchase order. The use of encumbrance accounting is a critical element of budgetary control in the governmental accounting system. The encumbrance decreases the budget line item by an amount equal to the purchase order.

The purchase of goods and/or services that require a Purchase Order, prior to the issuance of an approved Purchase Order is strictly prohibited.

A purchase order is not required for items less than \$5,000.00. The Procurement Card (P-Card) is utilized for such purchases. This system is used for purchasing relatively low-dollar and high-volume items, such as materials and supplies that are routinely consumed in the normal course of operations. The P-Card system is intended to complement, not circumvent the Purchase Order system. Please read the PROCUREMENT CREDIT CARD POLICY AND PROCEDURE for details on how the P-Card system works.

VIII. ITEMS EXCLUDED FROM PURCHASE ORDER

The following payments and services do not require the issuance of a purchase order for payment authorization:

1. Tax Payments
2. Insurance Premium Payments
3. Retirement System Payments
4. Debt Service Payments
5. Investment Payments

1. Utility Services and Cell Phone Payments
2. Operating Leases/Maintenance Agreements
3. Annual Contracts
4. Invoices for Professional Services (i.e. Attorney Fees and Engineering)
5. Payments Made for Employee Payroll Deductions
6. Inter-local Agreements
7. Reimbursement/Payments to other Agencies
8. Contract Services
9. When a Check Request Form is Used
10. Travel and Lodging
11. Items/Services Acquired through the Competitive Bid Process
12. Customer Deposit Refunds
13. Purchases Under \$5,000.00

IX. PURCHASING RESPONSIBILITIES

Each department is responsible for making the most of the resources available in their budget. The department should better understand what are the best available terms and conditions for the goods or services needed. The following steps should be followed when purchasing goods and/or services:

1. Identify the good and/or service to be purchased
2. Contact potential vendors/suppliers
3. If applicable, obtain 3 quotes. Follow the spending limit included in section IV
4. Receive the required approval(s) per the spending limit
5. Submit a Requisition and all required documentation to the Finance Department and the Finance Department will issue a purchase order.
6. Make the requested purchase
7. Upon receiving an order, a Department must inspect the delivery prior to acceptance when possible or otherwise as soon as possible. If any items are unacceptable of any discrepancy, the Department will immediately notify the vendor or contractor.
8. Submit shipping documents, and invoices to the Finance Department with department Director approval and proper account codes for payment.
9. Track continuing purchasing issues such as warranty, replacement, maintenance, etc.

X. INSURANCE REQUIREMENTS

Where the City contracts with an outside party (contractor, consultant, vendor, or concessionaire) for goods or services, the Invitation To Bid (ITB) or Request For Proposal (RFP) that is advertised must include a proposed contract. The contract should include indemnity and hold harmless provisions that appropriately transfer the project risks from the City to the contractor. Because the contractor may or may not have the financial resources to account for the risks, the City requires the contractor to purchase and maintain valid insurance to help ensure the financial security required by the City. The insurance types and amounts are as follows:

A. General Liability Insurance - Each contractor engaged in service on City property is required to maintain commercial general liability insurance in an amount not less than \$1,000,000 per

occurrence for bodily injury, personal injury and property damage. The City of Fate shall be named as an additional insured. Certain high-risk activities may require higher limits.

B. Automobile Liability Insurance - Each contractor engaged in service on City property is required to maintain automobile liability insurance in an amount not less than \$1,000,000 covering bodily injury and property damage. The City of Fate shall be named as an additional insured. Certain high-risk activities may require higher limits.

C. Workers' Compensation Insurance - Each contractor engaged in service on behalf of the City is required to maintain workers' compensation insurance and employer's liability insurance for his/her employees in accordance with the laws of the State of Texas. If contractor has no employees, he/she shall sign or initial an Exemption from Workers' Compensation Insurance statement. An exemption form is attached to the City's standard Professional Services Agreement form.

D. Professional Liability Insurance - Each professional retained under a professional services agreement shall maintain professional liability insurance in an amount not less than \$1,000,000 unless this requirement is waived by the City Attorney.

XI. SINGLE SOURCE PURCHASES

Purchases of goods or services that are available from only one supplier. There may be just one vendor because of patents or copyrights, or simply because the vendor is the only one that supplies the good or service. In these cases, any requirements for quotes will not apply.

XII. PURCHASES THROUGH STATE CONTRACTS

The State Comptroller may perform purchasing services for local governments. A City that makes purchases under such a contract satisfies all State competitive bidding laws. Such purchases are still subject to spending limit and authority.

XIII. PURCHASES THROUGH COOPERATIVE PURCHASING AGREEMENTS

Pursuant to state law, the City may participate in a cooperative purchasing program with another local government or a local cooperative organization. Whenever possible, the City of Fate will utilize cooperative purchasing agreements. Cooperative purchasing agreements are normally agreements that will include a list of items that have already been through the bids process and the lowest or best qualified bidders have been approved. Such purchases are still subject to spending limit and authority.

XIV. EMERGENCY PURCHASES

A. Determination of emergency purchase: Section 252, Texas Local Gov't Code, as amended, provides exemptions to the bidding laws for emergencies as follows:

1. When there is unforeseen damage to public property, machinery, or equipment, and when such breakdown would significantly disrupt the operation of the City or significantly increase the cost of operations.
2. When it is necessary to preserve or protect the public health or safety of the City's residents.
3. When it becomes necessary to preserve the property of the City or to relieve the necessity of the City's residents as a results of a public calamity that requires the immediate appropriation of money.

- B. Qualifications:** The purchase must qualify as an emergency purchase under the definitions above.
- C. Designation:** The designation of emergency purchase indicates a situation of such urgency that the normal purchasing procedure must be modified in the interest of speed.
- D. Process:** For expenditures \$50,000.00 or more, the Department Director, or Assistant Director, or Department Head, or Captain, or Lieutenant, and Finance Director, and the City Manager must certify that the expenditure is derived from an emergency condition specified by state law, the need for the expenditure was unforeseen, the continued expeditious operation of the City requires that the expenditure be made before the time necessary to obtain City Council approval, and that funds are available for the expenditure. A copy of the certification shall be delivered to City Council as soon as possible with an explanation of a description of the expenditure, an explanation of the necessity of the expenditure, the source of funds, and evidence of all necessary approvals.

XV. LOCAL PREFERENCE

Purchasing goods and services from local vendors is desired because it stimulates the local economy and recognizes that our local vendors are valued members of our community. If factors such as quality, previous performance, and availability are equal among vendors, a vendor whose business is located in Fate, whose bid is within 5% of the lowest bid price received from a bidder whose principal place of business is not within the City of Fate, shall be awarded the contract.

XVI. HISTORICALLY UNDERUTILIZED BUSINESS

Purchasing goods and services from Historically Underutilized Businesses (HUB) is encouraged in Fate. A list of HUBs may be found on the State of Texas Procurement and Support Website, which can be found at <https://comptroller.texas.gov/purchasing/>

XVII. PROCUREMENT CARD

A. Introduction

The Procurement Card (P-Card) is a purchasing tool that offers an alternative to the existing City of Fates' purchasing processes. It provides an extremely efficient and effective method of purchasing and paying for goods and services with a value of less than \$5,000. In most cases, the purchasing card will replace the Department Purchase Order, some reimbursement requests, and other associated paperwork.

This policy describes the procedures for appropriate purchasing card use. By signing the cardholder agreement form, the employee promises to comply with program rules and regulations. A purchasing card will be issued to an employee upon management approval and after the employee executes a signed agreement form. Upon receipt of the card, the employee should immediately sign the back of the card and keep it in a secure place.

The purchasing card is issued to one employee only. No other person is permitted to use another employee's card. As a cardholder, the employee is responsible for the appropriate use of City funds. Although the card is issued to the employee, it remains City property and may be rescinded at any time. The employee should use the card only for the types of purchases described in this guide. In those rare circumstances where an individual's name does not appear on the card, the employee who was issued the "departmental" card will be responsible for all transactions made with the card while in his/her care and custody.

B. Card Issuance

A card will be issued to a City employee upon the approval of the department Director. An individual will only receive the card after completing the application form, receiving Procurement Card Instruction from the Director of Finance and signing a Cardholder Agreement Form.

In addition to the above, the cardholder is required to read and sign the Procurement Card Cardholder Agreement and adhere to all procurement card policies and procedures of the City and his/her department. Each employee issued a card should read the entire documents carefully. It will explain appropriate card use, merchant participation, record keeping and reconciliation procedures.

Once an employee receives his/her card, it should be signed and kept in a secure place. Although the card has been issued to the employee, it is City property and may only be used for the purchases outlined in this document.

C. Purchasing Guidelines

The purchasing card program will not circumvent the City's purchasing rules and procedures. Instead, it is designed to streamline smaller purchases that are made on-site, via Internet, telephone, fax or mail.

Each employee is responsible for the security of the card he/she is issued and for the purchases made with it. Consequences for card misuse are severe, and penalties may include reimbursement of expenses, suspension of card privileges, or other disciplinary action up to and including termination.

In general, all business related expenses are eligible for purchase using the purchasing card, and all non-business related purchases are ineligible. Employees in doubt over whether or not a purchase is eligible should contact their supervisor, department Director, or the purchasing card Program Administrator for assistance in determining purchase eligibility BEFORE they decide to make the purchase.

Each employee's card has been assigned an individual credit limit based on the department Director's approval. If that limit becomes too low to accommodate monthly requirements, the employee may request an increase through the department Director. Written authorization by a department Director is required before a Program Administrator will change the credit limit.

D. Proof of Purchase Documentation and Reconciliation

Cardholders are required to keep a P-Card Transaction Log and attach their proof of purchases, invoices and receipts, and director approval from their purchasing card activity as required

E. Lost or Stolen Purchasing Card

It is the responsibility of the cardholder to immediately report a lost or stolen procurement card by calling the 1-800 number on the back of the card-be sure you have this number written down for easy access for this purpose. As soon as possible thereafter, the cardholder must also report the lost or stolen card to the department Director and the Finance Department. The City of Fate is liable for all transactions until the card is reported lost or stolen. Unauthorized use of the card will be reported to the City of Fate, Department of Public Safety.

Verbal reports of lost or stolen procurement credit cards must be followed in writing to the department Director and to Finance using the "Lost or Stolen Procurement Card Notification". A replacement card may be issued to the cardholder within 10 days. The employee's quick response will reduce the risk of fraud.

F. Disputed Charges

An authorized employee who is issued a P-card holder is responsible for attempting to resolve any dispute with a vendor. The employee must attempt to resolve such dispute within fifteen (15) days of receipt of a purchase. If a resolution is not possible, the employee must immediately notify the bank of the disputed item. The bank should provide a dispute form that the employee cardholder must complete and return to the bank. In most cases, the bank will work directly with the employee to resolve the problem. The employee must submit a copy of the form to their Department Director and the Department Director will forward to the Finance Department.

G. Termination of Employee

When an employee who has been issued a P-card terminates from City employment, the Department Director must immediately, but in any event within one business day, contact the Finance Department to report the change. The Finance Department will have the Department complete the appropriate form that reflects this change. The Department will submit this form and pending receipts to the Finance Department for processing. Where possible, the Department must try to have a terminated employee reconcile his/her P-card statements prior to termination. If there are any remaining charges on the P-Card not accounted for, those charges will be billed to the terminated cardholder or recuperated through other means

H. Conclusion

The purchasing card should be used responsibly. Since the card is issued in the employee's name, all purchases are assumed to be made by the employee. Each employee should be aware that improper use might result in disciplinary action, up to and including termination and criminal prosecution. The department may maintain a purchasing card log, but the original sales receipts shall be forwarded to Accounting. The cardholder may be randomly audited to track purchasing and record keeping activity.

XVIII. TECHNOLOGY AND TECHNOLOGY RELATED PURCHASES

All technology related purchase requests including, but not limited to computer equipment, software, telecommunications and related services, copiers, printers and any device that accesses or uses City network resources must be submitted to the Information and Technology Department for review and technical evaluation before a purchasing decision is made.

XIX. LEGAL REQUIREMENTS

A. Review by the City Attorney

The City Attorney shall review all documents, contracts and legal instruments in which the City may have an interest, unless otherwise determined by the City Manager. Equipment, materials, supplies and service contracts bearing any special terms and conditions, other than administrative provisions, not previously approved by the City Attorney, shall be submitted for such approval and must receive approval prior to issuance.

B. Previously Reviewed Terms and Conditions

Written agreements and contracts having been once approved by the City Attorney are considered to have been reviewed by the City Attorney for renewal or re-use purposes, unless substantial changes to the terms and conditions have been made.

XX. DISPOSAL OF CAPITAL ASSETS OR SURPLUS PROPERTY

All departments must review their assets each year and determine whether any items are no longer needed. A department must submit a list of any surplus, obsolete, or unused equipment to the Finance Department and include a description, make, model, and serial numbers. The Finance Department in coordination with the City Manager's office may transfer these items between department based on their needs or auction off to the public. Computers, monitors, servers, and IT related equipment no longer in use and considered surplus or obsolete, may be sold to staff. The IT department will decide the price of each item on a yearly basis. Funds received from sale of surplus items will be returned to the appropriate City Fund. If the assets are capitalized, the Finance Department will remove the cost of the asset and the related accumulated depreciation from the balance sheet.

XXI. PROMPT PAYMENT

Chapter 2251 of the Local Government Code stipulates that the City shall pay all payments owed not later than 30 days after the goods or services are received, or the date that the invoice is received and approved, whichever is later. To uphold this stipulation, all departments must forward the receiving report and invoices to the Finance Department promptly.

XXII. PURCHASING POLICY QUICK REFERENCE

PURCHASING POLICY QUICK REFERENCE					
	\$0 to \$499.99	\$500 to \$4,999.99	\$5,000 to \$24,999.99	\$25,000.00 to \$49,999.99	\$50,000.00 or more
P-Card	Y	Y			
Purchase Order Required			Y	Y	Y
3 Telephone Quotes Required			Y		
3 Written Quotes Required				Y	
3 Sealed Bids Required					Y
Department Director/Assistant Department Director/Department Head/Captain/Lieutenant Approval		Y	Y	Y	Y
Finance Director Approval				Y	Y
City Manager Approval				Y	Y
City Council Approval					Y



To: Honorable Mayor & City Council

From: Michael Kovacs, City Manager

Raju Anthony, Director of Finance

Date: August 17, 2023

Agenda Item & Caption: Discuss and consider an ordinance ratifying the property tax Increases reflected in the adopted budget for City of Fate, Texas for the fiscal year beginning October 1, 2023, and ending September 30, 2024.

Action Requested: Approval of Ordinance

Overview and Background: Party(s) responsible for placing this item on agenda: Michael Kovacs, City Manager.

The City Manager filed a proposed budget for the fiscal year 2023-2024 on July 14, 2023 in accordance with the City Charter and State Law. The proposed budget requires raising more revenue from property taxes than in the previous year.

If the adoption of a budget will require raising more revenue from property taxes than in the previous year, a separate vote of the City Council is required to ratify the property tax increase and should be reflected in the budget.

Texas Local Government Code 102.007 (c)- Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.

Financial Considerations: This budget will raise \$853,071 more revenue from property taxes than last year's budget.

Supporting Documents:

- Ordinance

ORDINANCE NO. O-2023-XXXX

**AN ORDINANCE OF THE CITY OF FATE, TEXAS,
RATIFYING THE PROPERTY TAX INCREASE
REFLECTED IN THE ADOPTED BUDGET FOR THE
FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND
ENDING SEPTEMBER 30, 2024, IN ACCORDANCE WITH
TEXAS LOCAL GOVERNMENT CODE 102; AND
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, Section 102.007 (c) requires a separate vote of the governing body to “ratify the property tax increase reflected in the budget” when the governing body adopts a budget that will require raising more revenue from property taxes than in the previous year.

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

Section 1. That the City Council does hereby “ratify the property tax increase reflected in the operating budget for the City of Fate, Texas for Fiscal Year 2023-2024, beginning October 1, 2023 and ending September 30, 2024, in accordance with Section 102-007 (c) of the Texas Local Government Code”.

Section 2. That the first page of the operating budget reflects the following:

This budget will raise more revenue from property taxes than last year’s budget by an amount of \$853,071, which is a 12.57 percent increase from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is \$445,381.

Section 3. This ordinance shall become effective from and after its passage, as provided by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS ON this 21st DAY OF AUGUST 2023.

APPROVED:

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary

<u>Council Member</u>	<u>Voted For</u>	<u>Voted Against</u>
David Billings, Mayor	_____	_____
Allen Robbins, Mayor Pro Tem	_____	_____
Lance Megyesi, Deputy Mayor Pro Tem	_____	_____
Heather Buegeler	_____	_____
Mark Harper	_____	_____
Scott Kelley	_____	_____
Jim DeLand	_____	_____



To: Honorable Mayor & City Council
From: Michael Kovacs, City Manager
Raju Anthony, Director of Finance
Date: August 17, 2023

Agenda Item & Caption: Discuss and consider an ordinance- affixing and levying the Ad Valorem Taxes for the fiscal year beginning October 1, 2023, and ending September 30, 2024, at a rate of \$0.26421 per \$100 of assessed valuation on all property within the corporate limits of the City of Fate, Texas as of January 1, 2023.

Action Requested: Approval of an ordinance by motion "I move that the property tax rate be increased by the adoption of a tax rate of \$0.26421 per \$100 of assessed valuation which is effectively a 5.96% increase in the tax rate".

Overview and Background: Party(s) responsible for placing this item on agenda: Michael Kovacs, City Manager.

In City Council Meeting on July 17, 2023, public hearings on the proposed tax rate were scheduled for August 21, 2023. In addition, City Council announced that it will vote on the proposed tax rate at the August 21, 2023 City Council Meeting. On August 21, 2023, the public hearing is being conducted.

On the August 14, 2023, council meeting, the council set the proposed property tax rate for tax year 2023 to be \$0.26421 per \$100 which is higher than the No-New-Revenue Tax Rate of \$0.249358 per \$100 assessed valuation, and Voter Approval Tax Rate of \$0.253389 per \$100 assessed valuation and same as the Deminimis Tax Rate of \$0.26421 per \$100 assessed valuation, based on preliminary assessment.

The proposed budget is based on anticipated revenues to the City from various sources, including assessment of taxes on real and business property located within the City. In order to provide sufficient revenues for the payment of City's maintenance and operation as well as City's bonded indebtedness and related fees, the FY 2023-2024 budget requires the City receive property taxes generated through the adoption of a total tax rate of \$0.26421 per \$100 of Assessed Valuation.

Total tax rate \$0.26421 is apportioned and distributed as follows:

Maintenance and Operation \$0.202334 per \$100 of assessed valuation

Interest and Sinking \$0.061876 per \$100 of assessed valuation

Financial Considerations: The tax rate of \$0.26421 will raise a total of \$7,637,046 in property taxes.

Supporting Documents:

- Ordinance

ORDINANCE NO. O-2023-XXXX

AN ORDINANCE OF THE CITY OF FATE, TEXAS, AFFIXING AND LEVYING MUNICIPAL AD VALOREM PROPERTY TAXES FOR FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024 AND FOR EACH YEAR THEREAFTER UNTIL OTHERWISE PROVIDED ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF FATE, TEXAS AS OF JANUARY 1, 2023, TO PROVIDE REVENUES FOR THE PAYMENT OF CURRENT EXPENSES AND ALL OUTSTANDING BONDED INDEBTEDNESS AND RELATED FEES OF THE CITY; DIRECTING THE ASSESSMENT THEREOF; PROVIDING FOR DUE DATES AND DELINQUENT DATES FOR PAYMENT OF TAXES TOGETHER WITH PENALTIES AND INTEREST THEREON; PROVIDING FOR PLACE OF PAYMENT; PROVIDING FOR APPROVAL OF THE TAX ROLLS PRESENTED TO THE CITY COUNCIL; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Fate, Texas is a home rule city acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, after notice of public hearings on the tax rate was published on July 28, 2022 in the Herald Banner and posted on the City's internet website as required by law, on August 21, 2023, the City Council of the City of Fate, Texas (City) held a public hearing on a proposal to adopt a tax rate of \$0.26421 for each \$100 of taxable value which would increase total tax revenues from property on the tax roll by \$853,071 and the notice showing the effect of the proposed tax revenue increase was posted on the City's internet website and any additional notices and actions were completed, as required by law; and

WHEREAS, the City Council hereby finds that the tax for the fiscal year beginning October 1, 2023, and ending September 30, 2024, hereinafter levied for current expenses of the City and the general improvements of the City and its property, must be levied to provide the revenue requirement for the budget for the ensuing year; and

WHEREAS, the City Council has approved by a separate ordinance adopted on the 21st day of August 2023, the budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024; and

WHEREAS, the City Council provided notice of the tax increase on July 27, 2023, as required by law; and

WHEREAS, all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been complied with.

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

Section 1. All of the above premises are found to be true and correct and are incorporated into the body of this ordinance as if copied in their entirety.

Section 2. The real and personal property tax appraisal rolls as certified by the Chief Appraiser of the Rockwall Appraisal District to the City Council for the 2023 tax year are hereby accepted and approved.

Section 3. By authority of the Charter of the City of Fate, Texas, and the Laws of the State of Texas, there is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2023 and ending September 30, 2024, and for each fiscal year thereafter until it be otherwise provided or ordained, on all taxable property, real, personal, and mixed, situated within the corporate limits of the City of Fate, Texas, and not exempt from taxation by the constitution of the State of Texas and valid state laws, an ad valorem tax rate of \$0.26421 on each One Hundred Dollars (\$100.00) assessed value of taxable property, which tax rate is apportioned and distributed as follows:

- A. For the purpose of defraying the current maintenance and operation expenses of the City (General Fund), in accordance with Section 26.05(a)(2) of the Texas Property Tax Code and any other applicable laws, a tax of \$0.202334 on each One Hundred Dollars (\$100.00) assessed value of all taxable property.
- B. For the purpose of creating a Debt Service Fund to pay the principal and interest maturities on City's outstanding bonded indebtedness, and related fees from property tax revenue, as provided by Sections 26.04(e)(3)(C) and 26.05(a)(1) of the Texas Property Tax Code and any other applicable laws, a tax of \$0.061876 on each One Hundred Dollars (\$100.00) assessed value of all taxable property within the City which shall be applied to the payment of such interest and maturities of all outstanding bonded indebtedness.

Section 4. All monies collected and hereby appropriated are set apart for the specific purposes indicated and the funds shall be accounted for in such a manner as to readily show balances at any time.

Section 5. All ad valorem taxes shall become due and payable on October 1, 2023, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2024. There shall be no discount for payment of taxes prior to February 1, 2024. Payment of such taxes shall be due in one full installment except as otherwise required by law. A delinquent tax shall incur all penalty and interest authorized by State Law, Section 33.01 of the Property Tax Code.

Section 6. Taxes herein levied and uncollected as of January 1, 2024, shall be a first and prior lien against the property, which lien shall be superior and prior to all other liens.

Section 7. Taxes are payable at the offices of the Rockwall County Tax Assessor-Collector. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

Section 8. Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that 2023 taxes and taxes for all subsequent years become delinquent on or after February 1 but not later than May 1 of the year in which they become delinquent, and in the event such delinquent taxes are referred to an attorney for collection, an additional amount of twenty percent (20%) of the total amount of tax, penalty, and interest then due shall be added as collection costs to be paid by the taxpayer, for all taxes delinquent on or after July 1, 2024.

Section 9. Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all 2023 taxes and taxes for all subsequent years that become delinquent on or after June 1 of the year in which they become delinquent shall, in order to defray the costs of collection, incur an additional 20% of the delinquent tax, penalty, and interest.

Section 10. Pursuant to Article 8, Section 1-b of the Texas Constitution, \$25,000 of the assessed value of residential homesteads of persons 65 years of age or older shall be exempt from City ad valorem taxes.

Section 11. Pursuant to Article 8, Section 1-b of the Texas Constitution, \$50,000 of the assessed value of residential homesteads of disabled persons shall be exempt from City ad valorem taxes.

Section 12. Any and all ordinances, resolutions, rules, regulations, policies, or provisions inconsistent or in conflict with the provisions of this ordinance are hereby expressly repealed and rescinded to the extent of the inconsistency or conflict.

Section 13. If any section, subsection, paragraph, sentence, clause, phrase or word in this Ordinance, or the application thereof to any person or circumstance is held invalid by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance and the City Council of the City of Fate, Texas, hereby declares it would have enacted such remaining portions despite any such invalidity.

Section 14. The motion approving this ordinance was made and seconded as follows: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.26421, which is effectively a 5.96 percent increase in the tax rate."

Section 15. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 9.35 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$17.30.

Section 16. This Ordinance shall become effective immediately upon its passage and approval at a regular meeting of the City Council of the City of Fate, Texas, this 21st day of August 2023, at which a quorum of the City Council was present and the meeting was held in accordance with the provisions of the Texas Government Code, Section 551.001 et seq. The City Secretary is hereby directed to record this Ordinance and the vote to adopt the tax rate.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS, THE 21st DAY OF AUGUST 2023.

APPROVED:

ATTEST:

David Billings, Mayor

Victoria Raduechel, TRMC
City Secretary

<u>Council Member</u>	<u>Voted For</u>	<u>Voted Against</u>
David Billings, Mayor	_____	_____
Allen Robbins, Mayor Pro Tem	_____	_____
Lance Megyesi, Deputy Mayor Pro Tem	_____	_____
Heather Buegeler	_____	_____
Mark Harper	_____	_____
Scott Kelley	_____	_____
Jim DeLand	_____	_____

To: Honorable Mayor & City Council

From: Michael Kovacs, City Manager

Raju Anthony, Director of Finance

Date: August 17, 2023

Agenda Item & Caption: Refuse Collection Rates

Action Requested: Approval of the Ordinance

Overview and Background: Party(s) responsible for placing this item on agenda: Michael Kovacs, City Manager.

The City Council approved the current Solid Waste collection rates on August 15, 2022, by Ordinance O-2022-029.

We expect another higher-than-normal ~6.67% Consumer Price Index (CPI) increase on 1/1/2024. To absorb the increased CPI, we are proposing an increase to the solid waste fees for residential and commercial (cart) customers, to include any extra recycling carts, and extra trash polycarts. The cost increase would be \$1.22 monthly for residential customers, \$4.88 for commercial customers, \$.13 for extra recycling carts, and \$.67 for extra trash polycarts. We have added \$1.05 for Household Hazardous Waste and E-Waste monthly for residential customers within the City limits. Sales taxes are also required by the State of Texas on municipal solid waste fees. See Exhibit A for the new proposed solid waste rates. We are still gathering cost estimates from vendors, but so far we are forecasting higher costs for quarterly household hazardous waste and e-waste collections.

Financial Considerations: The increase in solid waste rate will result in a projected surplus of ~\$42,000 in the Solid Waste Fund for FY 2024 due to the timing of the increase beginning in October in coordination with the new road fee. Our goal is to accumulate one-month's payment equivalent to Waste Connections in that fund, which would be about \$139,000 today, and will be larger as the City grows.

Supporting Documents: HHW Comparison summary & Ordinance with Exhibit A

TO: Mayor and City Council Members

Cc: Michael Kovacs, City Manager; Scott Monaghan, Public Works Director; Raju Anthony, Finance Director

FROM: Steven Downs, Assistant City Manager

RE: HHW Comparison (Curbside v. Collection Event)

DATE: August 17, 2023

As the City of Fate considers options for household hazardous waste (HHW) collection, below is some information gathered from other communities that may be helpful.

CURBSIDE PICK-UP

Scott Monaghan had a conversation with HHW Solutions, a likely provider of a curbside service. HHW represented some of the things they believe are an advantage with a curbside service.

- Ensures that the collection is being done for residential uses, not commercial uses (they only pick up at homes)
- Individuals have monthly opportunities to dispose of their HHW, not quarterly, semi-annually, or however often the city would decide to hold events. Some residents will dispose improperly if they do not have an opportunity to dispose in a timely fashion.
- People place the HHW on their porch in a cardboard box (most often they see Amazon boxes utilized)

COMMUNITY EVENT

I spoke with Jared Harwell, Denton County, regarding their county-wide HHW disposal events. They host 4 events a year, rotating through different communities in the County. They provide vouchers to all their residents, then the organization running the event (Upper Trinity Regional Water) charges the County based on the number of vouchers redeemed. The cost has per redeemed voucher has most recently been been \$101 per redeemed voucher, but appears to be moving to ~\$130.

They have generally only had participation of around 75 per year. **The county budgets \$25,000 annually.**

Here is a list of TX Communities, and how they handle HHW disposal:

https://www.tceq.texas.gov/downloads/p2/household-hazardous-waste/hhw_contacts.pdf

ORDINANCE NO. O-2023-XXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FATE, TEXAS APPROVING AND ADOPTING RATES TO BE CHARGED TO THE CUSTOMERS FOR SOLID WASTE AND REFUSE COLLECTION SERVICES; REPEALING CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Fate, Texas has determined that it is necessary and expedient to prescribe new rates to charge the customers for sanitary sewer services and for solid waste and refuse collection services.

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

SECTION 1. That the rates for solid waste and refuse collection services charged to customers, as contained in the attached Exhibit “A” are hereby approved and adopted.

SECTION 2. Any and all ordinances, resolutions, rules, regulations, policies, or provisions inconsistent or in conflict with the provisions of this ordinance are hereby expressly repealed and rescinded to the extent of the inconsistency or conflict.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FATE, TEXAS, this the 21st day of August 2023.

APPROVED

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC
City Secretary

EXHIBIT A				
SOLID WASTE RATES				
	Current Rate	New Rate	Increase	Increase %
Residential Rate	\$18.36	\$ 20.63	\$ 2.27	12.39%
Commercial Rate	\$21.21	26.09	4.88	23.02%
Extra Recycling	2.00	2.13	0.13	6.67%
Extra Polycart	10.00	10.67	0.67	6.67%



To: Mayor & City Council

From: Michael Kovacs, City Manager

Date: August 16, 2023

Agenda Item & Caption: Discuss and consider Ordinance - enacting a street maintenance fee (road fee) on residential properties.

Action Requested: Approval of Ordinance

Person Responsible for Putting this Item on the Agenda: Michael Kovacs, City Manager

Prior Action: The existing City budget uses a variety of sources to fund street maintenance work.

Overview and Background: The City's fiscal year 2023 budget includes \$1,500,000 for contracted road maintenance work in Fund 201, the Road Construction Fund, not including traffic signals spending and new road construction spending in other multiple fund groups. The City also spends \$372,703 in its General Fund on streets maintenance staffing/work to include supplies and vehicle costs. The new Street Maintenance Fee, which we have often called the "road fee" in prior discussions, will provide \$288,010 in funds annually to assist the General Fund and Road Maintenance Fund in meeting our road repair and maintenance obligations.

Financial Considerations: The new fee would be charged to residential homes and multi-family units. The rate for single-family homes would be \$3 monthly, and for multi-family units the rate would be \$1.23 per unit. This is based on a national trip generation standard, which we would be required to use (see engineers' memo). Future revenues could be generated by charging commercial establishments, churches, and schools. This will require a study and we anticipate discussing this concept sometime during fiscal year 2024 before embarking on the study that would enable us to start charging commercial, governmental, and non-profit traffic generators.

Supporting Document:

- Ordinance- enacting a street maintenance fee
- Kimley Horn Engineers' memorandum on a Fate Street Maintenance Fee

ORDINANCE NO. O-2023-

AN ORDINANCE OF THE CITY OF FATE, TEXAS AMENDING CHAPTER 30 OF THE CITY OF FATE CODE OF ORDINANCES, AS AMENDED, BY ADDING A NEW ARTICLE VII, STREET MAINTENANCE FEE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City of Fate (the “City”) is a home rule municipality authorized by the State of Texas; and

WHEREAS, the City Council for the City of Fate (“City Council”) finds, determines, and declares that in order to protect the citizenry from the deterioration of the quality and safety of the Street System that they rely upon and use on a regular basis, and in order to provide a properly maintained Street System, it is necessary and in the best interest of the public health and safety to establish a Street Maintenance Fee; and

WHEREAS, the City Council finds, determines, and declares that it is fair and reasonable for all developed residential real property within the City Limits of the City using the Street System (Benefitted Properties) to pay a portion of the costs to maintain the Street System; and

WHEREAS, the City Council will establish a Street Maintenance Fee, subject to the limitations of the laws of the State of Texas, and the City will use the funds from the Street Maintenance Fee to pay for the costs of planning, operating, monitoring, inspecting, maintaining, repairing, improving, constructing, and reconstructing the Street System, and costs incidental thereto.

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

Section 1. Findings. The City Council hereby finds and determines that the recitals made in the preamble of this Ordinance are true and correct and incorporates such recitals in the body of this Ordinance as if copied in their entirety.

Section 2. Enactment. The City Council of the City of Fate, Texas hereby approves and adopts these provisions of this Ordinance, attached hereto as Exhibit A, which is attached hereto and incorporated herein for all intents and purposes. Section of the Code shall be renumbered as necessary.

Section 3. Repealer. All ordinances, resolutions, or parts thereof that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated herein.

Section 4. Severability. Should any word, sentence, clause, paragraph or provision of this ordinance be held to be invalid or unconstitutional, the validity of the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

Section 5. Effective Date and Expiration. This Ordinance shall become effective on September 15, 2023. It shall remain in effect for a one-year period until September 14, 2024, unless otherwise repealed by City Council action, or renewed for an additional period.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Fate, Texas, on this the 21st day of August 2023.

David Billings, Mayor

ATTEST:

Victoria Raduechel, TRMC, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Jon Thatcher, City Attorney

EXHIBIT A

The Code of Ordinances of the City of Fate, Texas is amended by adding Article VII, Street Maintenance Fee, under Chapter 30, Utilities, as set hereafter to read as follows:

ARTICLE VII. STREET MAINTENANCE FEE

Sec. 30-541 – Definitions.

The following definitions apply in this article, except as specifically noted otherwise.

Benefitted Property means a single-family residential unit and a multi-family residential unit within the City Limits that benefits from vehicular or pedestrian traffic or use.

Single-family residential unit means a building containing not more than one dwelling unit on one or more lots. Single-family dwelling units constructed in such a manner that the units share a common wall or lot line with another unit include duplexes, triplexes, quadraplexes, and condominiums. Each dwelling unit in a duplex, triplex, quadraplex, or condominium shall be considered a single-family residential unit. Mobile homes not in an approved mobile home park shall be considered a single-family residential unit.

Multi-family residential unit means a single-family dwelling in an apartment complex. Apartments include one or more buildings constructed on a single parcel of property where each building contains at least five living units.

Street Maintenance Fee shall mean the fee that is established by this Ordinance that is assessed against and collected from owners or occupants of Benefitted Property within the City Limits for planning, operating, monitoring, inspecting, maintaining, repairing, improving, constructing, and reconstructing the Street System, and costs incidental thereto.

Street System shall mean the structures, traffic controls, streets and other facilities in the public right-of-way, such as bridges, sidewalks, wheelchair ramps, alleys, storm sewer drainage system appurtenances and other facilities, which are dedicated to the use of motor vehicles, transit, bicycles and pedestrians, all of which are owned, dedicated to, and/or controlled in whole by the City, including provisions for additions, improvements and extensions to such system.

Utility Customer shall mean the holder of a City utility account for Benefitted Properties or the person, firm, partnership, joint venture, association, corporation, governmental entity, or other entity responsible for the payment of the Street Maintenance Fee.

City Limits shall mean the city limits of the City of Fate as they exist on the effective date of this ordinance and as they may be amended from time to time.

Sec. 30-542 – Establishment of Street Maintenance Fee.

- (a) The City Council hereby establishes a Street Maintenance Fee to be paid by Utility Customers within the City Limits. Such Street Maintenance Fee shall be the amounts as set forth herein, which will provide funds for maintenance of the Street System.

(1) Each single-family residential unit shall be charged \$3.00 per month and multi-family residential units shall be charged \$1.23 per month. Fees will be assessed on a per unit basis.

Sec. 30-543 – Billing and Collection of Fee.

- (a) Collection of the Street Maintenance Fee against each Benefitted Property shall be made by a monthly charge to be added to the Utility Customer's utility bill for such property and shall be due upon receipt.
- (b) The City Manager or designee shall create an account in the City's billing system for any Benefitted Property for which no utility account exists. The Street Maintenance Fee will be assessed to the street fee only accounts according to land use.

Sec. 30-544 – Recovery of Unpaid Fee.

Any Street Maintenance Fee due hereunder that is not paid when due may be recovered in action at law by the City. In addition to any other remedies or penalties provided by this Ordinance or the Code of Ordinances of the City of Fate, Texas, failure of any Utility Customer to pay the Street Maintenance Fee promptly when due shall subject such Utility Customer to the discontinuance of utility services provided by the City.

Sec. 30-545 – Road Maintenance Fund.

- (a) All Street Maintenance Fees shall be deposited in the Road Maintenance Fund for the City. It shall not be necessary for the expenditures from the Road Maintenance Fund to specifically relate to any particular property from which the Street Maintenance Fees were collected.
- (b) An annual report of the Road Maintenance Fund and the Street Maintenance Fee program will be provided to the City Council.

Sec. 30-546 – Administration: Rules and Regulations.

The City Manager or designee shall be responsible for the administration of this Ordinance. The City Manager or designee shall be responsible for developing the rules, regulations and procedures for the administration of fees and the consideration of petitions for modification and appeals pertaining to the fees charged hereunder; developing maintenance programs; and establishing criteria and standards for the operation and maintenance of the Street System.

Sec. 30-547 – Disposition of Fees and Charges.

- (a) The Street Maintenance Fee shall not be used for the general governmental purposes of the City.
- (b) The Street Maintenance Fee shall be used solely to pay for the costs of planning, operating, monitoring, inspecting, maintaining, repairing, improving, constructing and reconstructing the Street System, and costs incidental thereto.

Sec. 30-548 – Exemptions.

- (a) Properties owned by the United States of America, the State of Texas, an agency, or institution created by the State of Texas, or a political subdivision of the State of Texas are exempt from the payment of the Street Maintenance Fee.
- (b) The City reserves the right to exempt properties from provisions of this Ordinance through City Council action.

Sec. 30-549 – Appeals.

- (a) A Utility Customer may appeal the Street Maintenance Fee established herein pursuant to the procedure set forth in this section and as set out in any process developed by the City Manager pursuant to Section 30-546.
- (b) An appeal shall be in writing and submitted to the City Manager or his designee within fourteen (14) calendar days after the date of the public utility billing statement containing the matter to be disputed.
- (c) Appeals may be submitted for only the following reasons:
 - (1) The Utility Customer's exempt property has been assessed a Street Maintenance Fee;
 - (2) A Street Maintenance Fee for the Utility Customer's Benefitted Property is assessed in duplicate on multiple utility accounts;
 - (3) A Street Maintenance Fee is assessed to the Utility Customer's property outside of the City Limits;
 - (4) A Street Maintenance Fee is assessed against the Utility Customer's Benefitted Property is incorrect due to improper property characterization; or
 - (5) A Street Maintenance Fee is assessed for a Benefitted Property unaffiliated to the Utility Customer's utility account.
- (d) The City Manager or his designee shall render a written decision on such appeals within a reasonable time after receipt of a timely written notice of appeal from the Utility Customer. This decision will be final.

- (e) During all periods of appeal, the Utility Customer shall be responsible for payment of the Street Maintenance Fee charges in full.
- (f) A Utility Customer appealing the Street Maintenance Fee may not receive a refund resulting from the appeal except for a Street Maintenance Fee paid within six months from the date of the Utility Customer's notice of appeal.

Sec. 30-550 – Effective Period; Sunset.

The ordinance codified in this article takes effect on September 15, 2023, and will continue for one (1) year. The ordinance ceases to have effect after September 14, 2024, unless the City Council takes further action to extend the ordinance.

Sec. 30-551 – Penalty.

Any person, firm, corporation or entity violating any of the provisions of this Article shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not less than Twenty-Five Dollars (\$25.00) nor more than Five Hundred Dollars (\$500.00). Each day such violation shall continue, shall be deemed a separate offense.



MEMORANDUM

To: Michael W. Kovacs
City Manager
City of Fate, Texas

From: Jeffrey Whitacre, P.E., AICP, PTP
Kimley-Horn and Associates, Inc.
TPBE Registered Firm Number F-928

Date: August 16, 2023

Re: Street Maintenance Fee Memo
Fate, Texas

PURPOSE

A street maintenance fee is a source of revenue to fund street system maintenance. The fee is based on use of the street system. It is typically billed monthly through City utility bills, and revenue is placed in a street maintenance fund to be used solely for maintaining the street system.

Street maintenance is currently funded out of the general fund and is not a guaranteed funding source year in and year out. Residents of Fate rely upon the street network on a daily basis and having a properly maintained street network is necessary. A Street maintenance enterprise accounts provides a funding that can be reliable and used on a regular basis.

ANALYSIS

Based on the Council direction, the street maintenance fee that is desired would be set at \$3 a month for single-family housing. At this time the rate would only be applied to residential properties. For apartments, a single-family equivalent should be utilized. According to the Institute of Transportation Engineer's Trip Generation Manual, a multi-family unit generates 41% of the traffic as a single-family unit. This would result in a rate of \$1.23 per multi-family unit.

The City of Fate has 7,767 single-family residential meters and 569 multi-family units. This results in a revenue of \$24,000.87 per month or \$288,010.44 per year.

In order to charge a street maintenance fee the need for the fee and direct utilization should be considered. In other words, the street maintenance plan needs to justify the revenue collected. Based on the conditions of the existing streets this project revenue would not cover the street maintenance needs but is a starting point to being preventive street maintenance program.

NEXT STEPS

We recommend the City use their pavement management program to identify needs which will be used to implement the collected fees. In addition, the future fee could be considered to extend the commercial development that are impacting the City of Fate roadways.



City Council Memorandum

To: Honorable Mayor and Members of the Fate City Council
Cc: Michael Kovacs, City Manager; Steven Downs, Assistant City Manager; Victoria Raduechel, City Secretary; Samantha Harris, Deputy City Secretary; Jonathan Thatcher, City Attorney
From: Ryan Wells, AICP, CFM, Director of Planning & Development Services
Date: 21 August 2023

Agenda Item: (This is a discussion regarding a request to rename Water Tower Road) Discuss, consider, and take any necessary action on a property owner request to rename Water Tower Road to Fate Village Drive.

Staff Recommendation: Approve

Party Responsible for Placing Item on the Agenda: Michael Kovacs, City Manager

Options: Approve; Approve subject to conditions; Deny; or Table for further review

Overview: The owners of property abutting Water Tower Road have submitted a request to rename the road to Fate Village Drive in order to better identify the road and relate it to the Fate Village brand associated with the surrounding mixed-use district.

Financial Considerations: The Fate Village developer has agreed to pay for any required new road name signs resulting from the road renaming.

Supporting Documents (enclosed):

Exhibit 1. Property owner road renaming request

Exhibit 2. Ordinance - approving renaming of Water Tower Road to Fate Village Drive

Exhibit 1



August 2, 2023

Ryan Wells, AICP
Director of Planning and Development
City of Fate
1900 CD Boren Parkway
Fate, Texas 75087

**RE: *Street Name Change Request for Water Tower Road
Fate Village
Fate, Texas***


Mr. Wells,

The undersigned parties represent the majority property owners along Water Tower Road. Please accept this letter as our formal request to rename this street to Fate Village Drive, for its entire length from Williamsburg Parkway to the eastbound Interstate 30 frontage road. We feel this new naming for such a major access point to Fate Village will help further identify and brand this key mixed-use quadrant in the City of Fate.

Please feel free to contact us, should you have any questions or comments regarding this request.

Regards,

FATE I-30 COMMERCIAL, LP
2101 Cedar Springs Road, Suite 600
Dallas, TX 75201



Jim Mason, Vice President

TDG – FATE VILLAGE, LLC
6116 N. Central Expressway, Suite 617
Dallas, TX 75206



Pieter Kessels, Member

Exhibit 2

ORDINANCE NO. O-2023-__

AN ORDINANCE OF THE CITY OF FATE, TEXAS CHANGING A STREET NAME FROM WATER TOWER ROAD TO FATE VILLAGE DRIVE WITHIN THE CITY LIMITS OF FATE, TEXAS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Fate, Texas, pursuant to Chapter 311 of the Texas Transportation Code, has control and authority over public street names within the City’s corporate boundaries; and

WHEREAS, the City of Fate has received a request from the owners of certain property adjacent to a public roadway in the City to change the name to provide for a better identity for the area served by the public roadway and assist with emergency service response times; and

WHEREAS, the location map of the requested street name change is attached hereto as Exhibit “A” (the Street”); and

WHEREAS, after consideration of all information presented, the City Council finds by a majority vote of all members that it is in the public interest to approve changing the name of Water Tower Road to Fate Village Drive.

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

Section 1. The Street, Water Tower Road, located within the city limits of Fate, Texas as more particularly shown and described on Exhibit “A”, shall be and is hereby approved to changed to Fate Village Drive.

Section 2. The City Manager and/or their designees are hereby authorized and directed to make the necessary changes to all records of the City of Fate to reflect this change.

Section 3. If any provision of this ordinance or application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this ordinance, which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

Section 4. This Ordinance shall become effective from and after its date of passage and as permitted by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Fate, Texas,
on this the 21st day of August 2023.

David Billings, Mayor

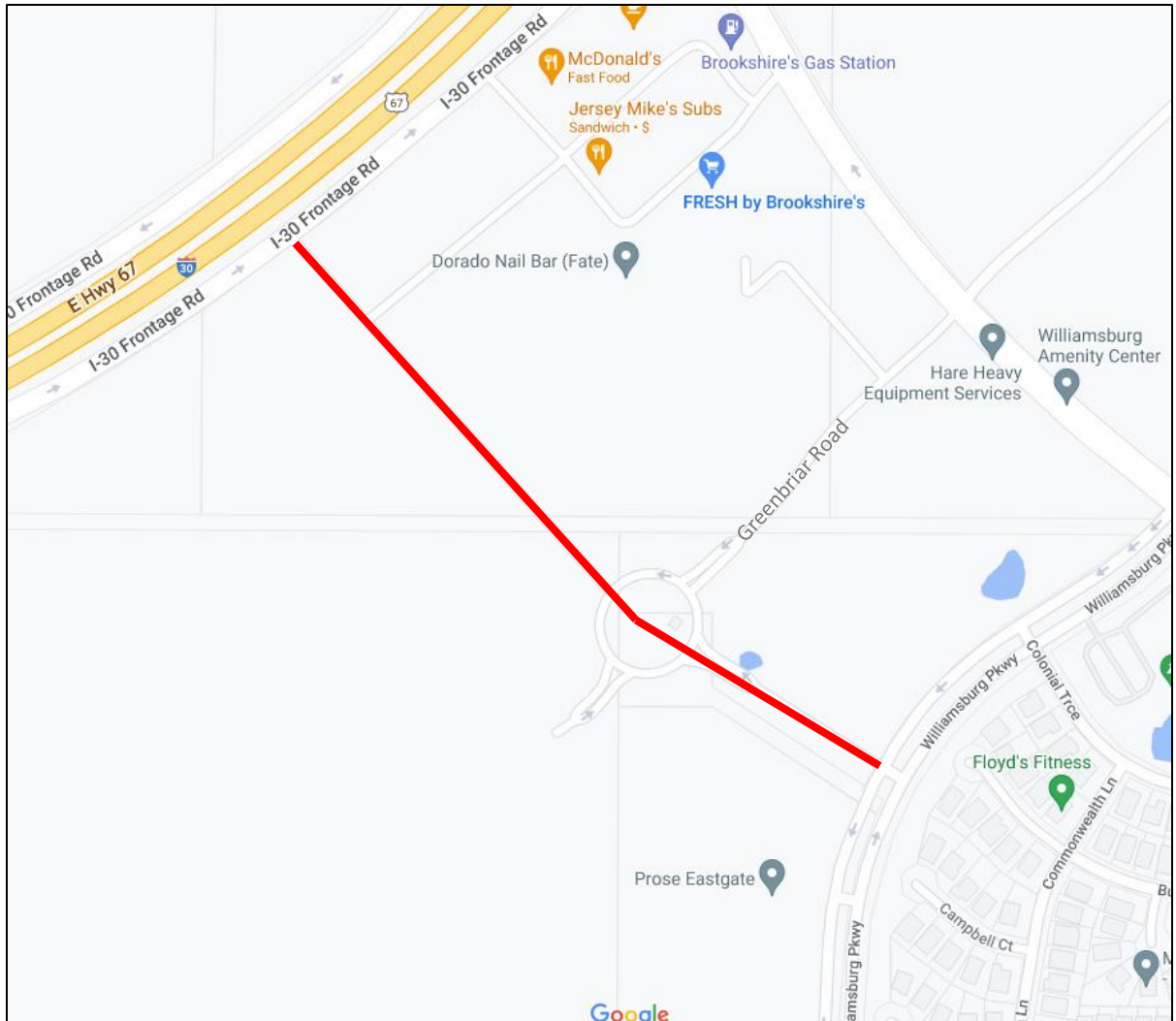
ATTEST:


Victoria Raduechel, TRMC, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Jon Thatcher, City Attorney

EXHIBIT A



 Road section to be renamed “Fate Village Drive”