

**CITY OF DEL RIO, TEXAS  
REGULAR CITY COUNCIL MEETING  
COUNCIL CHAMBERS - CITY HALL  
109 WEST BROADWAY  
TUESDAY, DECEMBER 13, 2016 - 6:30 P.M.**

**AGENDA  
DESCRIPTION**

**ITEM NO.**

1. CALL TO ORDER

2. ROLL CALL

3. INVOCATION

4. PLEDGE OF ALLEGIANCE

5. **CITIZEN COMMENTS**  
**(NO ACTION WILL BE TAKEN)**

This is the opportunity for visitors and guests to address the City Council on any issue. City Council may not discuss any presented issue, nor take any action on any issue. A sign-up sheet is available for citizens who wish to address the Council. Please limit remarks to three minutes. Topics of operational concerns shall be directed to the City Manager. Comments should not personally attack other speakers, Council or staff.

6. **MAYOR'S COMMENTS**

7. **ORDINANCES**  
**(ACTION MAY BE TAKEN ON THESE MATTERS)**

- a. O: 2016 - 152 Discuss and Approve an Ordinance Authorizing the Issuance, Sale and Delivery of Approximately \$13,500,000 in Aggregate Principal Amount of "City of Del Rio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2017"; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax; Approving and Authorizing the Execution of all Instruments and Procedures Related Thereto Including a Paying Agent/Registrar Agreement and a Purchase Contract; Approving the Form of an Official Statement; and Declaring an Effective Date - Gilbert E. Sanchez, Finance Director
- b. O: 2016 - 153 An Ordinance by the City Council of the City of Del Rio, Texas Authorizing and Directing the City Manager, Henry Arredondo to Execute an Agreement for Air Services with Public Charters Inc. DBA Texas Sky - Juan C. Onofre, Airport Manager

8. **RESOLUTIONS**  
**(ACTION MAY BE TAKEN ON THESE MATTERS)**

- a. R: 2016 - 077 A Resolution by the City Council of the City of Del Rio, Texas Confirming the Appointment of Willie Hyslop to Fill a Vacancy on the Planning and Zoning Commission for the City of Del Rio, Texas - Janice Pokrant, City Planner

9.

**OTHER BUSINESS**

**(ACTION MAY BE TAKEN ON THESE MATTERS)**

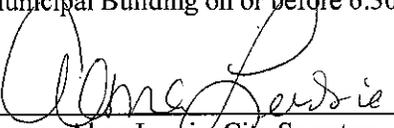
- a. Discuss Continued Approval of Engagement of Denton, Navarro, Rocha, Bernal, Hyde & Zech Law Firm for Limited Special Counsel for City Attorney Services - Suzanne West, City Attorney
- b. Discussion and Possible action on an Memorandum of Understanding (MOU) between the Del Rio Police Department (DRPD) and the Texas Department of Public Safety (DPS) Aircraft Section to appoint a DRPD officer to the DPS Aircraft section as a Tactical Flight Officer (TFO). – Waylon Bullard, Chief of Police
- c. Discussion and Possible Action on the Request for a Partnership with the Bethel Center - Henry Arredondo, City Manager

10.

**ADJOURNMENT**

\* NOTE: The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, whenever it is considered necessary and legally justified under the Open Meetings Act.

I, Alma Levrie, Interim City Secretary, hereby certify that the above agenda was posted on the bulletin board in the Municipal Building and on the bulletin board immediately outside the Municipal Building on or before 6:30 p.m. on the 9th day of December, 2016.

  
\_\_\_\_\_  
Alma Levrie, City Secretary

**City Council Regular**

7. a.

**Meeting Date:** 12/13/2016

**Submitted By:** Gilbert Sanchez, Finance Director, Finance

**Information**

**SUBJECT:**

O: 2016 - 152 Discuss and Approve an Ordinance Authorizing the Issuance, Sale and Delivery of Approximately \$13,500,000 in Aggregate Principal Amount of "City of Del Rio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2017"; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax; Approving and Authorizing the Execution of all Instruments and Procedures Related Thereto Including a Paying Agent/Registrar Agreement and a Purchase Contract; Approving the Form of an Official Statement; and Declaring an Effective Date - Gilbert E. Sanchez, Finance Director

**SUMMARY:**

Discussion and possible action on an ordinance authorizing the issuance, sale and delivery of approximately \$13,500,000 in aggregate principal amount of "City of Del Rio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2017".

**BACKGROUND:**

FY 15-16 CIP introduced as follows:

Street & Drainage & Infrastructure Repair/Replacement-Contracted	\$4,600,000
City Facilities Repairs/Upgrades/Purchase	\$750,000
San Felipe Creek Walk Rehab Hazardous Area	\$500,000
Street & Drainage & Infrastructure Repair/Replacement-In House Projects	\$900,000
Streets Heavy Equipment	\$800,000
City Parks Upgrades/Brown Plaza	\$500,000
Relocation of Toll Plaza & Admin. Bldg/Software Package	\$2,000,000
Landfill - Equipment	\$470,000
Water Treatment Plant - Upgrades	\$350,000
Water Vehicles/Heavy Equipment	\$225,000
Wastewater Liftstation Repairs	\$215,000
Wastewater - Heavy Equipment	\$350,000
IT Upgrades	\$790,000

**DISCUSSION:**

The City intends to borrow funds for water, wastewater, and refuse projects which would be funded from water, wastewater, and refuse rates respectively. The remaining projects will be funded from property taxes.

With the help of the City's financial advisors (Estrada Hinojosa & Company) and other Financing team, the City is presenting the Ordinance to issue the 2017 Certificates of Obligation.

**PROS:**

By approving this Ordinance, the City of Del Rio officially approves the Issuance of the Combination Tax and Revenue Certificates of Obligation , Series 2017 to pay for all of the said CIP projects.

**CONS:**

The City must comply with all laws in connection with the issuance of the Combination Tax and Revenue Certificates of Obligation , Series 2017.

**RECOMMENDATION:**

Staff recommends the approval of an Ordinance to authorize the issuance, sale and delivery of the Combination Tax and Revenue Certificates of Obligation, Series 2017.

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**Fiscal Impact**

**FISCAL IMPACT:**

By issuing the Combination Tax and Revenue Certificates of Obligation, Series 2017, the City must make principal and interest debt payments funded from the appropriate funding source (i.e. Water rates, Wastewater rates, Refuse Rates, and Property Taxes)

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**Attachments**

Ordinance

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**ORDINANCE NO. O: 2016 - 152**

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF \$\_\_\_\_\_ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF DEL RIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX; APPROVING AND AUTHORIZING THE EXECUTION OF ALL INSTRUMENTS AND PROCEDURES RELATED THERETO INCLUDING A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; APPROVING THE FORM OF AN OFFICIAL STATEMENT; AND DECLARING AN EFFECTIVE DATE**

**DATE OF APPROVAL: DECEMBER 13, 2016**

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**ORDINANCE NO. O: 2016 - 152**

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF \$ \_\_\_\_\_ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF DEL RIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX; APPROVING AND AUTHORIZING THE EXECUTION OF ALL INSTRUMENTS AND PROCEDURES RELATED THERETO INCLUDING A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; APPROVING THE FORM OF AN OFFICIAL STATEMENT; AND DECLARING AN EFFECTIVE DATE**

**THE STATE OF TEXAS  
COUNTY OF VAL VERDE  
CITY OF DEL RIO**

**WHEREAS**, the City Council of the **CITY OF DEL RIO, TEXAS** (the "**City**") hereby determines that it is necessary and desirable to pay all or a portion of the City's contractual obligations incurred for the purpose of (a) constructing, improving and repairing City streets and sidewalks, together with drainage, utility line replacement, traffic and street signalization and lighting improvements, including acquisition of related heavy equipment; (b) constructing, installing and acquiring additions, extensions and improvements to the City's Waterworks and Sewer System, including acquisition of related heavy equipment; (c) acquiring and purchasing heavy equipment for the City's landfill department; (d) acquiring and installing network operating hardware and software for all City departments; (e) acquiring and installing toll collection hardware and software for the City's bridge department; (f) acquiring, constructing and improving municipal parks, including but not limited to, repairing and improving the San Felipe Creek Walk; (g) constructing, replacing, repairing, and improving municipal buildings, including the City Hall, Police Department, Civic Center, Paul Poag Theatre, and Fire Department, including roof replacement and repairs; and (h) paying fiscal and engineering fees in connection with such projects (collectively, the "**Project**"); and

**WHEREAS**, the City Council of the City intends to finance the Projects from proceeds derived from the sale of Certificates of Obligation issued by the City pursuant to Sections 271.041 - 271.063, Texas Local Government Code, as amended; and

**WHEREAS**, on October 25, 2016, the City Council adopted a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation (the "**Notice of Intent**"); and

**WHEREAS**, the Notice of Intent was published in the *Del Rio News Herald*, which is a newspaper of general circulation in the City, in its issues of November 2, 2016 and November 9, 2016; and

**WHEREAS**, the City received no petition signed by at least five percent of the qualified electors of the City protesting the issuance of such Certificates of Obligation; and

**WHEREAS**, it is considered to be in the best interest of the City that said interest bearing Certificates of Obligation be issued; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEL RIO, TEXAS, THAT:**

**SECTION 1. AMOUNT AND PURPOSE OF THE CERTIFICATES OF OBLIGATION.** The certificate of obligation or certificates of obligation of the City further described in Section 2 of this Ordinance and referred to herein as the "Certificates of Obligation" are hereby authorized to be issued and delivered in the aggregate principal amount of \$\_\_\_\_\_ **FOR PAYING, ALL OR A PORTION, OF THE CITY'S CONTRACTUAL OBLIGATIONS INCURRED FOR THE PURPOSE OF (A) CONSTRUCTING, IMPROVING AND REPAIRING CITY STREETS AND SIDEWALKS, TOGETHER WITH DRAINAGE, UTILITY LINE REPLACEMENT, TRAFFIC AND STREET SIGNALIZATION AND LIGHTING IMPROVEMENTS, INCLUDING ACQUISITION OF RELATED HEAVY EQUIPMENT; (B) CONSTRUCTING, INSTALLING AND ACQUIRING ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE CITY'S WATERWORKS AND SEWER SYSTEM, INCLUDING ACQUISITION OF RELATED HEAVY EQUIPMENT; (C) ACQUIRING AND PURCHASING HEAVY EQUIPMENT FOR THE CITY'S LANDFILL DEPARTMENT; (D) ACQUIRING AND INSTALLING NETWORK OPERATING HARDWARE AND SOFTWARE FOR ALL CITY DEPARTMENTS; (E) ACQUIRING AND INSTALLING TOLL COLLECTION HARDWARE AND SOFTWARE FOR THE CITY'S BRIDGE DEPARTMENT; (F) ACQUIRING, CONSTRUCTING AND IMPROVING MUNICIPAL PARKS, INCLUDING BUT NOT LIMITED TO, REPAIRING AND IMPROVING THE SAN FELIPE CREEK WALK; (G) CONSTRUCTING, REPLACING, REPAIRING, AND IMPROVING MUNICIPAL BUILDINGS, INCLUDING THE CITY HALL, POLICE DEPARTMENT, CIVIC CENTER, PAUL POAG THEATRE, AND FIRE DEPARTMENT, INCLUDING ROOF REPLACEMENT AND REPAIRS; AND (H) PAYING FISCAL AND ENGINEERING FEES IN CONNECTION WITH SUCH PROJECTS AND TO PAY COSTS OF ISSUANCE.**

**SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF THE CERTIFICATES OF OBLIGATION.** Each certificate of obligation issued pursuant to and for the purpose described in Section 1 of this Ordinance shall be designated: **CITY OF DEL RIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017**, and initially there shall be issued, sold and delivered hereunder one fully registered certificate of obligation, without interest coupons, dated January 1, 2017, in the aggregate principal amount of \$\_\_\_\_\_, numbered T-1 (the "**Initial Certificate of Obligation**"), with certificates of obligation issued in replacement thereof being in the denomination of \$5,000 or any integral multiple thereof and numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Certificate of Obligation being payable to the initial purchaser designated in Section 15 hereof), or to the registered assignee or assignees of said certificates of obligation or any portion or portions thereof (in each case, the "**Registered Owner**"), the Certificates of Obligation shall be subject to optional redemption as provided in the FORM OF CERTIFICATE OF OBLIGATION, and the Certificates of Obligation shall mature and be payable serially on **June 1** in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

YEAR OF MATURITY	PRINCIPAL AMOUNT	YEAR OF MATURITY	PRINCIPAL AMOUNT

The term "*Certificates of Obligation*" as used in this Ordinance shall mean and include the Certificates of Obligation initially issued and delivered pursuant to this Ordinance and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "*Certificate of Obligation*" shall mean any of the Certificates of Obligation.

**SECTION 3. INTEREST.** The Certificates of Obligation shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance to their respective dates of maturity or prior redemption at the following rates per annum:

YEAR OF MATURITY	INTEREST RATE	YEAR OF MATURITY	INTEREST RATE

Said interest shall be payable in the manner provided and on the dates stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance.

**SECTION 4. CHARACTERISTICS OF THE CERTIFICATES OF OBLIGATION; APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT.** (a) *Registration, Transfer, and Exchange; Authentication.* The City shall keep or cause to be kept at the designated corporate trust or commercial banking office of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, Dallas, Texas (the "*Paying Agent/Registrar*") books or records for the registration of the transfer and exchange of the Certificates of Obligation (the "*Registration Books*"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. Attached hereto as *Exhibit A* is a copy of the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Mayor, Mayor Pro-Tem and City Secretary of the City are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate of Obligation to which payments with respect to the Certificates of Obligation shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Certificates of Obligation shall be made within three business days after request and presentation thereof. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their

inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Certificate of Obligation or Certificates of Obligation shall be paid as provided in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance. Registration of assignments, transfers and exchanges of Certificates of Obligation shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. Each substitute Certificate of Obligation shall bear a letter and/or number to distinguish it from each other Certificate of Obligation.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate of Obligation, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Certificate of Obligation shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates of Obligation and Certificates of Obligation surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Certificate of Obligation or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates of Obligation in the manner prescribed herein, and said Certificates of Obligation shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, and particularly Subchapter D and Section 1201.067 thereof, the duty of transfer and exchange of Certificates of Obligation as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Certificate of Obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates of Obligation which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

*(b) Payment of Certificates of Obligation and Interest.* The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates of Obligation, all as provided in this Ordinance. The Paying Agent/ Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates of Obligation.

*(c) In General.* The Certificates of Obligation (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates of Obligation to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 50 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates of Obligation, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Certificates of Obligation, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. The Initial Certificate of Obligation is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate of Obligation issued in exchange for the Initial Certificate of Obligation issued under

this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate of Obligation delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION below, manually executed by the Comptroller of Public Accounts of the State of Texas or by her duly authorized agent, which certificate shall be evidence that the Initial Certificate of Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Certificates of Obligation that at all times while the Certificates of Obligation are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates of Obligation under this Ordinance, and that the Paying Agent/Registrar will be one entity and shall be an entity registered with the Securities and Exchange Commission. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates of Obligation, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates of Obligation, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System for Certificates of Obligation. The Certificates of Obligation issued in exchange for the Certificates of Obligation initially issued to the purchaser specified in Section 15 herein shall be initially issued in the form of a separate single fully registered Certificate of Obligation for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate of Obligation shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("**DTC**"), and except as provided in subsection (i) hereof, all of the outstanding Certificates of Obligation shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates of Obligation registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations

and certain other organizations on whose behalf DTC was created ("*DTC Participant*") to hold securities to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates of Obligation. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates of Obligation, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Certificates of Obligation, as shown on the Registration Books, of any notice with respect to the Certificates of Obligation, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates of Obligation, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates of Obligation. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate of Obligation is registered in the Registration Books as the absolute owner of such Certificate of Obligation for the purpose of payment of principal and interest with respect to such Certificate of Obligation, for the purpose of registering transfers with respect to such Certificate of Obligation, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates of Obligation only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Certificates of Obligation to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Certificate of Obligation certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) *Successor Securities Depository; Transfers Outside Book-Entry Only Systems.* In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Certificates of Obligation that they be able to obtain certificated Certificates of Obligation, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates of Obligation to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates of Obligation and transfer one or more separate Certificates of Obligation to DTC Participants having Certificates of Obligation credited to their DTC accounts. In such event, the Certificates of Obligation shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Certificates of Obligation shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate of Obligation is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to principal of and interest on such Certificate of Obligation and all notices with respect to such Certificate of Obligation shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(h) DTC Letter of Representation. The officers of the City are herein authorized for and on behalf of the City and as officers of the City to enter into one or more Letters of Representation with DTC establishing the book-entry only system with respect to the Certificates of Obligation.

(i) Delivery of Initial Certificate of Obligation. On the closing date, one Initial Certificate of Obligation representing the entire principal amount of the respective series of Certificates of Obligation, payable in stated installments to the initial registered owner named in Section 15 of this Ordinance or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro-Tem and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Certificate of Obligation, the Paying Agent/Registrar shall cancel the Initial Certificate of Obligation and deliver to the initial registered owner or its designee one registered definitive Certificate of Obligation for each year of maturity of the Certificates of Obligation, in the aggregate principal amount of all of the Certificates of Obligation for such maturity.

**SECTION 5. FORM OF CERTIFICATE OF OBLIGATION.** The form of the Certificates of Obligation, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be attached only to the Certificates of Obligation initially issued and delivered pursuant to this Ordinance), shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

*[The remainder of this page intentionally left blank.]*

**FORM OF CERTIFICATE OF OBLIGATION**

<b>R-1</b>	<b>UNITED STATES OF AMERICA STATE OF TEXAS CITY OF DEL RIO, TEXAS</b>	<b>PRINCIPAL AMOUNT \$ _____</b>
<b>COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2017</b>		

<b><u>INTEREST RATE</u></b>	<b><u>MATURITY DATE</u></b>	<b><u>CUSIP NO.</u></b>
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_____ %	June 1, _____	_____
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**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

*ON THE MATURITY DATE* specified above, the **CITY OF DEL RIO, TEXAS** (the "*City*"), being a political subdivision and home-rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "*Registered Owner*"), the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from January 19, 2017, at the Interest Rate per annum specified above, payable on June 1, 2017, and semiannually on each December 1 and June 1 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except that if this Certificate of Obligation is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate of Obligation or Certificates of Obligation, if any, for which this Certificate of Obligation is being exchanged is due but has not been paid, then this Certificate of Obligation shall bear interest from the date to which such interest has been paid in full.

*THE PRINCIPAL OF AND INTEREST ON* this Certificate of Obligation are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate of Obligation shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate of Obligation at maturity or upon the date fixed for redemption prior to maturity, at the designated corporate trust or commercial banking office of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, Dallas, Texas, which is the "*Paying Agent/Registrar*" for this Certificate of Obligation. The payment of interest on this Certificate of Obligation shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the Ordinance authorizing the issuance of this Certificate of Obligation (the "*Ordinance*") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage

prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the fifteenth day of the month next preceding each such date (the "**Record Date**") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "**Special Record Date**") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "**Special Payment Date**" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Certificate of Obligation prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate of Obligation for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Certificates of Obligation shall be payable in the regular manner described above). The City covenants with the Registered Owner of this Certificate of Obligation that on or before each principal payment date, interest payment date and accrued interest payment date for this Certificate of Obligation it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates of Obligation, when due.

**IF THE DATE** for the payment of the principal of or interest on this Certificate of Obligation shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

**THIS CERTIFICATE OF OBLIGATION** is one of a series of Certificates of Obligation dated as of January 1, 2017, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$\_\_\_\_\_ **FOR PAYING, ALL OR A PORTION, OF THE CITY'S CONTRACTUAL OBLIGATIONS INCURRED FOR THE PURPOSE OF (A) CONSTRUCTING, IMPROVING AND REPAIRING CITY STREETS AND SIDEWALKS, TOGETHER WITH DRAINAGE, UTILITY LINE REPLACEMENT, TRAFFIC AND STREET SIGNALIZATION AND LIGHTING IMPROVEMENTS, INCLUDING ACQUISITION OF RELATED HEAVY EQUIPMENT; (B) CONSTRUCTING, INSTALLING AND ACQUIRING ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE CITY'S WATERWORKS AND SEWER SYSTEM, INCLUDING ACQUISITION OF RELATED HEAVY EQUIPMENT; (C) ACQUIRING AND PURCHASING HEAVY EQUIPMENT FOR THE CITY'S LANDFILL DEPARTMENT; (D) ACQUIRING AND INSTALLING NETWORK OPERATING HARDWARE AND SOFTWARE FOR ALL CITY DEPARTMENTS; (E) ACQUIRING AND INSTALLING TOLL COLLECTION HARDWARE AND SOFTWARE FOR THE CITY'S BRIDGE DEPARTMENT; (F) ACQUIRING, CONSTRUCTING AND IMPROVING MUNICIPAL PARKS, INCLUDING BUT NOT LIMITED TO, REPAIRING AND IMPROVING THE SAN FELIPE CREEK WALK; (G)**

***CONSTRUCTING, REPLACING, REPAIRING, AND IMPROVING MUNICIPAL BUILDINGS, INCLUDING THE CITY HALL, POLICE DEPARTMENT, CIVIC CENTER, PAUL POAG THEATRE, AND FIRE DEPARTMENT, INCLUDING ROOF REPLACEMENT AND REPAIRS; AND (H) PAYING FISCAL AND ENGINEERING FEES IN CONNECTION WITH SUCH PROJECTS AND TO PAY COSTS OF ISSUANCE.***

***ON JUNE 1, 2027***, or any date thereafter, the Certificates of Obligation maturing on and after June 1, 2028 may be prepaid or redeemed prior to their scheduled due dates, at the option of the City, with funds derived from any available source, as a whole, or in part, and, if in part, the City shall select and designate the maturity, or maturities, and the amount that is to be redeemed, and if less than a whole maturity is to be called, the City shall direct the Paying Agent/Registrar to call by lot (provided that a portion of this Certificate of Obligation may be redeemed only in an integral multiple of \$5,000), at the redemption price of the principal amount, plus accrued interest to the date fixed for prepayment or redemption.

***ALL CERTIFICATES OF OBLIGATION OF THIS SERIES*** are issuable solely as fully registered Certificates of Obligation, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Certificate of Obligation, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Certificates of Obligation, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate of Obligation to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate of Obligation must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate of Obligation or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate of Obligation or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate of Obligation may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate of Obligation or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Certificate of Obligation or portion thereof shall be paid by the City, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

***IN THE EVENT*** any Paying Agent/Registrar for the Certificates of Obligation is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates of Obligation.

**IT IS HEREBY** certified, recited, and covenanted that this Certificate of Obligation has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate of Obligation have been performed, existed, and been done in accordance with law; that this Certificate of Obligation is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate of Obligation, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limits prescribed by law and that this Certificate of Obligation is additionally secured by a lien on and limited pledge of surplus revenues of the City's Waterworks and Sewer System, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with any of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the Net Revenues of the City's Waterworks and Sewer System, all as provided in the Ordinance authorizing the Certificates of Obligation.

**THE CITY** also has reserved the right to amend the Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates of Obligation.

**BY BECOMING** the Registered Owner of this Certificate of Obligation, the Registered Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Certificate of Obligation and the Ordinance constitute a contract between each Registered Owner hereof and the City.

**IN WITNESS WHEREOF**, the City has caused this Certificate of Obligation to be signed with the manual or facsimile signature of the Mayor or Mayor Pro-Tem of the City, and countersigned with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate of Obligation.

Countersigned:

\_\_\_\_\_  
(facsimile signature)  
City Secretary, City of Del Rio, Texas

\_\_\_\_\_  
(facsimile signature)  
Mayor, City of Del Rio, Texas

(CITY SEAL)

**FORM OF REGISTRATION CERTIFICATE**  
**OF THE COMPTROLLER OF PUBLIC ACCOUNTS:**

**COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_**

I hereby certify that this Certificate of Obligation has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Certificate of Obligation has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

(COMPTROLLER'S SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

**FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE**

**PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE**  
*(To be executed if this Certificate of Obligation is not accompanied by an executed  
Registration Certificate of the Comptroller of Public Accounts of the State of Texas)*

It is hereby certified that this Certificate of Obligation has been issued under the provisions of the Ordinance described in the text of this Certificate of Obligation; and that this Certificate of Obligation has been issued in exchange for a certificate of obligation or certificates of obligation, or a portion of a certificate of obligation or certificates of obligation of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

**THE BANK OF NEW YORK**  
**MELLON TRUST COMPANY, N.A.**  
Dallas, Texas  
Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Representative

**FORM OF ASSIGNMENT:**

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned Registered Owner of this Certificate of Obligation, or duly authorized representative or attorney thereof, hereby sells, assigns and transfers this Certificate of Obligation and all rights hereunder unto \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Assignee's Social Security or Taxpayer Identification Number) (Please print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the registration of this Certificate of Obligation on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_  
NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate of Obligation in every particular, without alteration or enlargement or any change whatsoever.

**INITIAL CERTIFICATE OF OBLIGATION INSERTIONS**

The Initial Certificate of Obligation shall be in the form set forth above except that:

(A) Immediately under the name of the Certificate of Obligation, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. \_\_\_\_\_" shall be deleted.

(B) The first paragraph shall be deleted and the following shall be inserted:

***"ON THE RESPECTIVE MATURITY DATES*** specified below, the ***CITY OF DEL RIO, TEXAS*** (the "***City***"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from January 19, 2017, at the respective Interest Rates per annum specified below, payable on June 1, 2017, and semiannually on each December 1 and June 1 thereafter to the respective Maturity Dates specified below, or the date of redemption prior to maturity. The respective Maturity Dates, Principal Installments and Interest Rates for this Certificate of Obligation are set forth in the following schedule:

MATURITY DATE (JUNE 1)	PRINCIPAL INSTALLMENT	INTEREST RATE	MATURITY DATE (JUNE 1)	PRINCIPAL INSTALLMENT	INTEREST RATE

*[Insert principal and interest information from Sections 2 and 3 above]"*

(C) The Initial Certificate of Obligation shall be numbered "T-1."

**SECTION 6. INTEREST AND SINKING FUND; TAX LEVY.** A special Interest and Sinking Fund for the Certificates of Obligation (the "*Interest and Sinking Fund*") is hereby created solely for the benefit of the Certificates of Obligation, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates of Obligation. All ad valorem taxes levied and collected for and on account of the Certificates of Obligation shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which, together with "Surplus Revenues" with respect to the Certificates of Obligation (as described in Section 7(a) below) budgeted to pay principal and interest coming due during such fiscal year, will be sufficient to raise and produce the money required to pay the interest on the Certificates of Obligation as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates of Obligation as such principal matures (but never less than 2% of the original principal amount of the Certificates of Obligation as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the respective Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates of Obligation, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

**SECTION 7. SURPLUS REVENUES.** Pursuant to Section 271.052 of the Texas Local Government Code and Chapter 1502, Texas Government Code, the Certificates of Obligation additionally shall be payable from and secured by limited surplus revenues derived by the City from the City's waterworks and sewer system remaining, if any, after (a) payment of all amounts constituting operation and maintenance expenses of said waterworks and sewer system, and (b)

payment of all debt service, reserve, and other requirements and amounts required to be paid under all ordinances heretofore or hereafter authorizing (i) all bonds and (ii) all other obligations not on a parity with the Certificates of Obligation, which are payable from and secured by any waterworks and sewer system revenues, and (c) payment of all amounts payable from any waterworks and sewer system revenues pursuant to contracts heretofore or hereafter entered into by the City in accordance with law (the "**Surplus Revenues**"). If for any reason the City fails to deposit ad valorem taxes levied pursuant to Section 6 hereof to the credit of the Interest and Sinking Fund in an amount sufficient to pay, when due, the principal of and interest on the Certificates of Obligations, then Surplus Revenues may be deposited to the credit of the Interest and Sinking Fund and used to pay such principal and/or interest. The City reserves, and shall have, the right to issue bonds and other obligations not on a parity with the Certificates of Obligation, and to enter into contracts, in accordance with applicable laws, to be payable from and secured by any waterworks and sewer system revenues.

**SECTION 8. CONSTRUCTION FUND.** There is hereby created and established in the depository of the City, a fund to be called the *City of Del Rio, Texas Combination Tax and Revenue Certificates of Obligation (SERIES 2017) Construction Fund* (herein called the "**Construction Fund**"). Proceeds from the sale and delivery of the Certificates of Obligation (other than proceeds representing accrued interest on the Certificates of Obligation and any premium on the Certificates of Obligation that is not used by the City to pay costs of issuance in accordance with the provisions of Section 1201.042(d), Texas Government Code, as amended, which shall be deposited in the Interest and Sinking Fund) shall be deposited in the Construction Fund. Money in the Construction Fund shall be subject to disbursements by the City for payment of all costs incurred in carrying out the purpose for which the Certificates of Obligation are issued, including but not limited to costs for construction, engineering, architecture, financing, financial consultants and legal services related to the project being financed with proceeds of the Certificates of Obligation and the issuance of the Certificates of Obligation. All funds remaining on deposit in the Construction Fund upon completion of the projects being financed with the proceeds from the Certificates of Obligation, if any, shall be transferred to the Interest and Sinking Fund.

**SECTION 9. INVESTMENTS.** Funds on deposit in the Interest and Sinking Fund and the Construction Fund shall be secured by the depository bank of the City in the manner and to the extent required by law to secure other public funds of the City and may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and the City's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in the Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date for which such funds are required, and investments purchased for and held in the Construction Fund shall have a final maturity of not later than the date the City reasonably expects the funds from such investments will be required to pay costs of the projects for which the Certificates of Obligation were issued. Income and profits from such investments shall be deposited in the respective Fund which holds such investments; however, any such income and profits from investments in the Construction Fund may be withdrawn by the City and deposited in the Interest and Sinking Fund to pay all or

a portion of the interest next coming due on the Certificates of Obligation. It is further provided, however, that any interest earnings on Certificate of Obligation proceeds which are required to be rebated to the United States of America pursuant to Section 14 hereof in order to prevent the Certificates of Obligation from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

**SECTION 10. EMPOWERED.** The City Manager and Director of Finance are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest.

**SECTION 11. DEFEASANCE OF THE CERTIFICATES OF OBLIGATION.** (a) Any Certificate of Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "*Defeased Certificate of Obligation*") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate of Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "*Future Escrow Agreement*") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates of Obligation shall have become due and payable. At such time as a Certificate of Obligation shall be deemed to be a Defeased Certificate of Obligation hereunder, as aforesaid, such Certificate of Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates of Obligation that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Certificates of Obligation for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates of Obligation immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates of Obligation and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates

of Obligation may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates of Obligation, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) The term "*Defeasance Securities*" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Certificates of Obligation.

(d) Until all Defeased Certificates of Obligation shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates of Obligation the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the City elects to defease less than all of the principal amount of Certificates of Obligation of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates of Obligation by such random method as it deems fair and appropriate.

**SECTION 12. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES OF OBLIGATION.** (a) *Replacement Certificates of Obligation.* In the event any outstanding Certificate of Obligation is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new certificate of obligation of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate of Obligation, in replacement for such Certificate of Obligation in the manner hereinafter provided.

(b) *Application for Replacement Certificates of Obligation.* Application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates of Obligation shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner applying for a replacement certificate of obligation shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage

with respect thereto. Also, in every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Certificate of Obligation, as the case may be. In every case of damage or mutilation of a Certificate of Obligation, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate of Obligation so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificate of Obligation shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate of Obligation, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate of Obligation) instead of issuing a replacement Certificate of Obligation, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates of Obligation. Prior to the issuance of any replacement certificate of obligation, the Paying Agent/Registrar shall charge the registered owner of such Certificate of Obligation with all legal, printing, and other expenses in connection therewith. Every replacement certificate of obligation issued pursuant to the provisions of this Section by virtue of the fact that any Certificate of Obligation is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Certificate of Obligation shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates of Obligation duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates of Obligation. In accordance with Chapter 1201, Texas Government Code, as amended, this Section of this Ordinance shall constitute authority for the issuance of any such replacement certificate of obligation without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such certificates of obligations is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates of Obligation in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Certificates of Obligation issued in exchange for other Certificates of Obligation.

**SECTION 13. CUSTODY, APPROVAL, AND REGISTRATION OF THE CERTIFICATES OF OBLIGATION; BOND COUNSEL'S OPINION, BOND INSURANCE, AND CUSIP NUMBERS.** The Mayor or Mayor Pro-Tem of the City is hereby authorized to have control of the Certificates of Obligation initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates of Obligation pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates of Obligation said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates of Obligation, and the seal of

said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City), a statement regarding the issuance of a municipal bond insurance policy to secure payment of debt service on the Certificates of Obligation, if any, and the assigned CUSIP numbers may, at the option of the City, be printed on the Certificates of Obligation issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates of Obligation.

**SECTION 14. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE CERTIFICATES OF OBLIGATION.** (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates of Obligation as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Certificates of Obligation or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates of Obligation, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Certificates of Obligation (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates of Obligation being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates of Obligation being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates of Obligation, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates of Obligation, other than investment property acquired with --

(A) proceeds of the Certificates of Obligation invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Certificates of Obligation are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates of Obligation;

(7) to otherwise restrict the use of the proceeds of the Certificates of Obligation or amounts treated as proceeds of the Certificates of Obligation, as may be necessary, so that the Certificates of Obligation do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates of Obligation) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates of Obligation have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(9) to assure that the proceeds of the Certificates will be used solely for new money projects or to refund Refunded Bonds that were issued after December 31, 2003 and prior to January 1, 2009.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "**Rebate Fund**" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the certificateholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates of Obligation. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates of Obligation, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates of Obligation under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates of Obligation, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates of Obligation under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the City Manager or the Director of Finance of the City to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates of Obligation.

(d) Allocation of, and Limitation on, Expenditures for the Project. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (collectively referred to herein as the "**Project**") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates of Obligation, or (2) the date the Certificates of Obligation are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The City covenants that the property constituting the projects financed or refinanced with the proceeds of the Certificates of Obligation will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes of the foregoing, the portion of the property comprising personal

property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City Council hereby adopts and establishes the instructions attached hereto as *Exhibit B* as the City's written procedures.

(g) Reimbursement. This ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

**SECTION 15. SALE AND DELIVERY OF THE CERTIFICATES OF OBLIGATION.** The Certificates of Obligation are hereby initially sold and shall be delivered to **WILLIAM BLAIR & COMPANY, L.L.C.**, as the representative of a group of underwriters, (collectively, the "*Underwriter*"), at a price of \$\_\_\_\_\_ (which amount is equal to par, plus an original issue premium on the Certificates of \$\_\_\_\_\_, less Underwriters' discount of \$\_\_\_\_\_), and no accrued interest, all pursuant to the terms and provisions of a Purchase Contract in substantially the form attached hereto as *Exhibit C* which the Mayor or Mayor Pro-Tem of the City is hereby authorized to execute and deliver, and which the City Secretary is hereby authorized to attest. The City will deliver to the Underwriters an Initial Certificate of Obligation in the aggregate principal amount of \$\_\_\_\_\_ payable in principal installments on the dates and in the principal amounts shown in Section 2 hereof, and bearing interest at the rates for each respective maturity as shown in Section 3 hereof. The Initial Certificate of Obligation shall be registered in the name of **WILLIAM BLAIR & COMPANY, L.L.C.**. In satisfaction of Section 1201.022(a)(3), Texas Government Code, and upon consultation with the City's Financial Advisor, the City Council hereby determines that the final terms of the Certificates of Obligation as set forth in this Ordinance are in the City's best interests.

Proceeds from the sale of the Certificates of Obligation shall be utilized as follows (1) \$\_\_\_\_\_ shall be deposited into the Constriction Fund (representing the par amount of the Certificates of Obligation and \$\_\_\_\_\_ of premium on the Certificates of Obligation counted against the noticed amount of the Certificates of Obligation), and (2) \$\_\_\_\_\_ shall be used to pay the costs of issuance of the Certificates of Obligation.

**SECTION 16. APPROVAL OF OFFICIAL STATEMENT.** The City hereby approves the form and content of the Official Statement relating to the Certificates of Obligation and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Certificates of Obligation by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement for the Certificates of Obligation, dated December 2, 2016, prior to the date hereof is hereby ratified and confirmed. The City

Council finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" as of each of their respective dates within the meaning, and for the purpose, of Rule 15c2-12 promulgated under authority granted by the Federal Securities and Exchange Act of 1934.

**SECTION 17. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES.** The Mayor, Mayor Pro-Tem, City Secretary, City Manager and Director of Finance of the City, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates of Obligation, the sale of the Certificates of Obligation, the Official Statement, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Certificates of Obligation, the Mayor, Mayor Pro-Tem, City Secretary, City Manager, Director of Finance, the City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval of the Certificates of Obligation by the Attorney General's office. In case any officer whose signature shall appear on any Certificate of Obligation shall cease to be such officer before the delivery of such Certificate of Obligation, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

**SECTION 18. ORDINANCE A CONTRACT; AMENDMENTS.** This Ordinance shall constitute a contract with the Registered Owners of the Certificates of Obligation, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Certificate of Obligation remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Registered Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change which is not to the prejudice of the Registered Owners. The City may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates of Obligation, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Certificate of Obligation over any other Certificate of Obligation, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Certificates of Obligation required for consent to any such amendment, change, modification, or

rescission. Whenever the City shall desire to make any amendment or addition to or rescission of this Ordinance requiring consent of the Registered Owners, the City shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to the Registered Owners at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Registered Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

#### **SECTION 19. CONTINUING DISCLOSURE OF INFORMATION.**

(a) *Definitions.* As used in this Section, the following terms have the meanings ascribed to such terms below:

"*EMMA*" means the Electronic Municipal Market Access system being established by the MSRB.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission.

(b) *Annual Reports.* The City shall provide annually to the MSRB through EMMA within six months after the end of each fiscal year ending in or after 2016, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by this Ordinance, being the information described in the Pricing Certificate. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If the Issuer changes its fiscal year, it will notify the MSRB through EMMA of the date of the new fiscal year end prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this paragraph (b).

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Event Notices.

(i) The Issuer shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates of Obligation, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of Certificateholders;
3. Certificate calls;
4. Release, substitution, or sale of property securing repayment of the Certificates of Obligation;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) The Issuer shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates of Obligation, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates of Obligation, or other events affecting the tax-exempt status of the Certificates of Obligation;
6. Tender offers;
7. Defeasances;
8. Rating changes; and
9. Bankruptcy, insolvency, receivership or similar event of an obligated person .

(iii) The Issuer shall notify the MSRB through EMMA, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates of Obligation within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with Section 7 of this Ordinance that causes Certificates of Obligation no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates of Obligation, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates of Obligation at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates of Obligation in the primary offering of the Certificates of Obligation in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates of Obligation consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates of Obligation. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates of Obligation in the primary offering of the Certificates of Obligation. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

**SECTION 20. SECURITY INTEREST.** Chapter 1208, Texas Government Code, applies to the issuance of the Certificates of Obligation and the pledge of the ad valorem taxes and surplus revenues granted by the City under Sections 6 and 7 of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates of Obligation are outstanding and unpaid such that the pledge of the ad valorem taxes or surplus revenues granted by the City under Sections 6 and 7 of this Ordinance is to be

subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Certificates of Obligation the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

**SECTION 21. REMEDIES IN EVENT OF DEFAULT.** In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Certificates of Obligation, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance and the continuation thereof for 30 days after the City has received written notice of such defaults, the Holders of any of the Certificates of Obligation shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

**SECTION 22. INTERESTED PARTIES.** Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Underwriters and the registered owners of the Certificates of Obligation, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Underwriters and the registered owners of the Certificates of Obligation.

[**SECTION 23. MUNICIPAL BOND INSURANCE POLICY.** The City approves the insurance of the Certificates of Obligation by Build America Mutual Assurance Company and the payment of such premium and covenants to comply with all terms of the insurance commitment attached hereto as Exhibit E, which terms are hereby adopted.]

**SECTION 24. INCORPORATION OF RECITALS.** The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

**SECTION 25. SEVERABILITY.** If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the

application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

**SECTION 26. EFFECTIVE DATE.** Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall become effective immediately after its adoption by the City Council.

*[The remainder of this page left blank intentionally.]*

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DEL RIO, TEXAS ON THE 13<sup>th</sup> DAY OF DECEMBER, 2016, AT WHICH MEETING A QUORUM WAS PRESENT.**

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Alma Levrie  
City Secretary

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Robert Garza  
Mayor

REVIEWED AS TO FORM  
AND LEGALITY:

REVIEWED FOR  
ADMINISTRATION:

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Suzanne West  
City Attorney

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Henry Arredondo  
City Manager

\*\* \*\* \* \* \*

**EXHIBIT A**

**FORM OF PAYING AGENT/REGISTRAR AGREEMENT**

THE PAYING AGENT/REGISTRAR AGREEMENT IS OMITTED AT THIS POINT  
AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.

## EXHIBIT B

### WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Certificates, the City's chief financial officer (the "Responsible Person"), which currently is the City's Director of Finance, will:

(i) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Certificates does not exceed an amount equal to the debt service on the Certificates in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Certificates for the immediately preceding 12-month period;

(ii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and

(iv) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the date of delivery of the Certificates (the "Issue Date"), and (B) within 30 days after the date the Certificates are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Certificates the Responsible Person will:

(i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;

(ii) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;

(iii) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);

(iv) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;

(v) determine whether, at any time the Certificates are outstanding, any person, other than the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;

(vi) determine whether, at any time the Certificates are outstanding, the facilities are sold or otherwise disposed of; and

(vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Certificates and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Certificates. If any portion of the Certificates is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Certificates. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT C

**FORM OF PURCHASE AGREEMENT**

THE PURCHASE AGREEMENT IS OMITTED AT THIS POINT AS IT APPEARS IN EXECUTED  
FORM ELSEWHERE IN THIS TRANSCRIPT.

## EXHIBIT D

### **DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in Section 19 of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The annual audited financial statements of the City or the unaudited financial statements of the City in the event audited financial statements are not completed within six months after the end of any fiscal year.
2. All quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables 1 through 5 and 7 through 12.

#### **Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

[EXHIBIT E

**INSURANCE COMMITMENT]**

**City Council Regular**

**7. b.**

**Meeting Date:** 12/13/2016

**Submitted By:** Juan Onofre, Airport Manager, Economic Development

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**Information**

**SUBJECT:**

O: 2016 - 153 An Ordinance by the City Council of the City of Del Rio, Texas Authorizing and Directing the City Manager, Henry Arredondo to Execute an Agreement for Air Services with Public Charters Inc. DBA Texas Sky - Juan C. Onofre, Airport Manager

**SUMMARY:**

Discussion and possible action on an ordinance to authorize and direct the City Manager, Henry Arredondo, to execute an agreement for air services with Public Charters Inc. DBA Texas Sky.

**BACKGROUND:**

Commercial Air Service to/from Del Rio was terminated in April 2013 by the air carrier company. In December 2013, the City was awarded by the Department of Transportation a SCASD (Small Community Air Service Development) grant to help secure a new air service provider. In March 2015, the company Public Charters Inc. made initial contacts with the City to provide regular air services with final destination to Dallas/Ft. Worth with an intermediate stop at Austin.

The City entered into an agreement in August 2015, but TSA (Transportation Security Administration) denied our request for federal resources and personnel in November 2015, which was a requisite for the performance of the agreement. The City administration worked with the community and our representatives, and finally, in July 2016, the Department of Homeland Security confirmed that TSA would deploy to the Del Rio Airport.

Due to the delays that were out of the City's and airline's control, the initial conditions changed and a new proposal was presented for consideration.

**DISCUSSION:**

The proposal for air services offers a daily flight in the morning to Austin International Airport, with a 25-minute stop for refueling and to allow passengers with final destination to Austin to disembark; and then continuing to Dallas/Ft. Worth International Airport as a final destination. Then in the afternoon the return route will be similar in manner. The service is proposed in a turboprop airplane model Jetstream 32 with a 19-passenger capacity.

The budget calculations consider a 50% occupancy, which results in a monthly subsidy of \$87,715.89; that sums in a year to \$1,052,590.65, which is the cap for the total subsidy for the services agreement. The proposed ticket price would be \$125 one way to Austin and \$225 one way to Dallas.

**PROS:**

Commercial air service is a key factor for positive economic development of any region, and achieving it for Del Rio opens the door for future investment in the City and in the region.

The City currently has a grant from the Department of Transportation for \$500,000 to secure and sustain air service.

**CONS:**

Required subsidy to the operation is up to \$1,052,590.65

**RECOMMENDATION:**

Airport staff recommends the re-establishment of air service at the Del Rio Airport.

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**Fiscal Impact**

**FISCAL IMPACT:**

Maximum subsidy by agreement = \$1,052,590.65

Start-up costs = \$25,000

Available SCASD grant = \$500,000

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**Attachments**

Ordinance Air Service

Exhibit A air services agreement

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**ORDINANCE NO. O: 2016 - 153**

**AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF DEL RIO, TEXAS AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR AIR SERVICES WITH PUBLIC CHARTERS INC. DBA TEXAS SKY**

**WHEREAS**, Commercial Air Service to/from the Del Rio International Airport was terminated on April 2013 by the air carrier company; and

**WHEREAS**, Air Service is a key factor for a positive Economic Development of any region, and achieving it for the City of Del Rio opens the door for future investment in the City and the region; and

**WHEREAS**, the City of Del Rio has been in talks since April 2015 with Public Charters Inc. DBA Texas Sky, to agree on terms to provide Air Services to and from Del Rio International Airport; and

**WHEREAS**, is in the best interest of the City of Del Rio to seek re-establishment of an Airline Service in its International Airport;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEL RIO, TEXAS THAT:**

City Manager Henry Arredondo is hereby authorized and directed to execute an agreement for air services with Public Charters Inc. Dba Texas Sky

**PASSED AND APPROVED on this 13<sup>th</sup> day of December 2016**

\_\_\_\_\_  
ROBERT GARZA  
Mayor

**ATTEST:**

\_\_\_\_\_  
ALMA LEVRIE  
City Secretary

**REVIEWED FOR ADMINISTRATION:**

\_\_\_\_\_  
HENRY ARREDONDO  
City Manager

**REVIEWED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
SUZANNE WEST  
City Attorney

Proposal to Provide Air Service At **DRT/AUS/DFW** **DOT-OST-**  
 Docket DOT-OST-

Fare Range: Average **\$300 /AUS** High **\$400/DFW**  
 Aircraft: **J32** Seats: **19**

**J32 Service**

Aircraft Base: **MBL**

Schedule: 6x weekly each weekday Sunday thru Friday				
Dept	Arrive	Stops	Block	
DRT 7:00 AM	AUS 8:00 AM	0	1.00	
AUS 8:30 AM	DFW 9:30 AM	0	0.30	
DFW 11:00 AM	AUS 12:00 PM	0	0.30	
AUS 12:30 PM	DRT 1:30 PM	0	1.00	

TIMES ARE FLEXIBLE

ACMI incl. Hotel & per diem	\$ 2,090.00	
Destin. Ground Fees	\$ 875.00	per turn
Origin Ground Fees	\$ 175.00	per turn
Destination Turns	2	per day
Origination Turns	2	per day
Fuel burn/hour	115	
Fuel price/gallon average	\$ 3.25	
Advertising per pax (r/t)	\$ 2.50	
Credit card fee	3.50%	
Travel Agent Commission:	10%	
Load Factor:	50%	
Percent of Travel Agent Sales	30%	

Catering - per pax	\$ 1.00
Reservation cost/pax	\$ 15.00
Percent of GDS bookings	2
Operational Days Per Week:	6
Call Center:	\$ 2,000.00
Avg. Passenger Fare:	\$ 165.00
Deicing:	
Seats per flight	9
Departures per week (o/w)	12
Departures per week (r/t)	6
Block Hours Per Segment (avg)	0.65

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Totl
Ttl Segs:	4				2.60								
Ttl Daily BIK Hrs:													
Weeks per Month	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	51.60
Days per Week	6	6	6	6	6	6	6	6	6	6	6	6	6
Depts per Week	12	12	12	12	12	12	12	12	12	12	12	12	12
Depts per Month	52	52	52	52	52	52	52	52	52	52	52	52	624
Avg. Block per Leg	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Ttl Block per Month	33.80	33.80	33.80	33.80	33.80	33.80	33.80	33.80	33.80	33.80	33.80	33.80	405.60
Load Factor	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Seats per flight	19	19	19	19	19	19	19	19	19	19	19	19	228
Pax per flight	10	10	10	10	10	10	10	10	10	10	10	10	10
Avg. Pax Fare	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
Ttl Pax per Month	516	516	516	516	516	516	516	516	516	516	516	516	6,192

Ticket Rev.	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 780,000.00
Credit Card Fee	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (2,275.00)	\$ (27,300.00)
FET & 7.5%	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (4,496.18)	\$ (53,954.20)
Agent Comm.	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (1,813.95)	\$ (21,767.44)
<b>Ttl Op. Revenue</b>	<b>\$ 56,414.86</b>	<b>\$ 676,978.35</b>											

Direct Operating Cost													
ACMI	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 70,642.00	\$ 847,704.00
Fuel	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 12,632.75	\$ 151,593.00
Ground	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 54,180.00	\$ 650,160.00
Deicing													
Catering	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 516.00	\$ 6,192.00
<b>Ttl Direct Op. Cost</b>	<b>\$ 137,970.75</b>	<b>\$ 1,655,649.00</b>											

Indirect Operationing Costs													
Advertizing	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 15,480.00
GDS	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 3,870.00	\$ 46,440.00
Call Center	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00
<b>Ttl Indirect Op. Cost</b>	<b>\$ 6,160.00</b>	<b>\$ 73,920.00</b>											
<b>Ttl Op. Cost</b>	<b>\$ 144,130.75</b>	<b>\$ 1,729,569.00</b>											

Operating P/L	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (87,715.89)	\$ (1,052,590.65)
Cumulative P/L	\$ (87,715.89)	\$ (175,431.77)	\$ (263,147.66)	\$ (350,863.55)	\$ (438,579.44)	\$ (526,295.32)	\$ (614,011.21)	\$ (701,727.10)	\$ (789,442.98)	\$ (877,158.87)	\$ (964,874.76)	\$ (1,052,590.65)	\$ (1,052,590.65)
Cost Per Dept.	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75	\$ 2,771.75

Proposed Subsidy \$ (1,052,590.65)

**Meeting Date:** 12/13/2016

**Submitted By:** Janice Pokrant, City Planner, Engineering Department

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**Information**

**SUBJECT:**

R: 2016 - 077 A Resolution by the City Council of the City of Del Rio, Texas Confirming the Appointment of Willie Hyslop to Fill a Vacancy on the Planning and Zoning Commission for the City of Del Rio, Texas - Janice Pokrant, City Planner

**SUMMARY:**

Discussion and possible action of a resolution appointing one member to the Planning and Zoning Commission.

**BACKGROUND:**

The Texas Local Government Code authorizes a municipality to create a planning commission through Chapter 212.006 and requires a municipality who exercises zoning authority to appoint a zoning commission through Chapter 211.007. Article XII of the Del Rio City Charter allows the City Council to establish and appoint a planning and zoning commission. The City of Del Rio Planning and Zoning Commission was then established in the Del Rio Municipal Code through Chapter 7, Article V.

The Planning and Zoning Commission serves in an advisory capacity to the City Council regarding zoning requests, platting and replatting matters and right-of-way abandonment requests. They have also served in an advisory capacity in the review and revision of any land development related ordinances.

**DISCUSSION:**

This position was formally filled by Diana Salgado but she resigned from the position when she took office as City Council person earlier this year. The term of office for this Planning and Zoning Commission appointment expired on September 23, 2016.

**PROS:**

Appointing a new member to the Planning and Zoning Commission will allow it to function as described in the Subdivision Ordinance and the Zoning Ordinance of the Del Rio Municipal Code.

**CONS:**

There is no known negative associated with the appointment of this new member to serve on the Planning and Zoning Commission.

**RECOMMENDATION:**

Staff recommends approval of the appointment of a new members to serve on the Planning and Zoning Commission.

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**Fiscal Impact**

**FISCAL IMPACT:**

There is not a fiscal impact associated with this agenda item.

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**Attachments**

Reso App P&Z

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**RESOLUTION NO. R: 2016 - 077**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF DEL RIO, TEXAS CONFIRMING THE APPOINTMENT OF WILLIE HYSLOP TO FILL A VACANCY ON THE PLANNING AND ZONING COMMISSION FOR THE CITY OF DEL RIO, TEXAS**

**WHEREAS**, Chapter 212.006 of the Local Government Code gives authority for a municipality to create a Planning Commission to approve plats; and

**WHEREAS**, Chapter 211.007 of the Local Government Code requires a municipality who exercises zoning authority to appoint a zoning commission; and

**WHEREAS**, Article XII, Section 127 of the City of Del Rio Charter allows for the City Council to establish and appoint a planning and zoning commission; and

**WHEREAS**, Chapter 7, Article V of the Del Rio Municipal Code creates the City of Del Rio Planning and Zoning Commission, and

**WHEREAS**, The City of Del Rio considers responsible planning and zoning is important to the growth of the city; and

**WHEREAS**, the City of Del Rio believes the Planning and Zoning Commission plays an important role in advising the City Council on the various land development issues; and

**WHEREAS**, the position formally filled by Diana Salgado needs to be filled by a qualified and committed individual to serve on this important commission; and

**WHEREAS**, the City Council feels the following individual is a responsible members of the community and will serve the City well in his/her capacity as a member of the City of Del Rio's Planning and Zoning Commission.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEL RIO, TEXAS THAT:**

The appointment of Willie Hyslop as a member of the City of Del Rio Planning and Zoning Commission is hereby confirmed. Mr. Hyslop shall fill the term of office for this Planning and Zoning Commissioner position set to expire three years from December 7, 2016 (December 7, 2019) as stated in Article V, Planning and Zoning Commission, Section 7-154.

City Secretary Alma Levrie is hereby directed to cause said action to be incorporated in all of the official records of the City pertinent to such request.

**PASSED AND APPROVED on this 13<sup>th</sup> day of December 2016**

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ROBERT GARZA  
Mayor

**ATTEST:**

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ALMA LEVRIE  
City Secretary

**REVIEWED FOR ADMINISTRATION:**

**REVIEWED AS TO FORM AND  
LEGALITY:**

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HENRY ARREDONDO  
City Manager

---

SUZANNE WEST  
City Attorney

**Meeting Date:** 12/13/2016

**Submitted By:** Aida Garcia, Administrative Assistant, Legal Department

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**Information**

**SUBJECT:**

Discuss Continued Approval of Engagement of Denton, Navarro, Rocha, Bernal, Hyde & Zech Law Firm for Limited Special Counsel for City Attorney Services - Suzanne West, City Attorney

**SUMMARY:**

N/A

**BACKGROUND:**

N/A

**DISCUSSION:**

N/A

**PROS:**

N/A

**CONS:**

N/A

**RECOMMENDATION:**

N/A

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**Fiscal Impact**

**FISCAL IMPACT:**

This agreement is proposed to be at \$30,000 rather than the usual increments of \$15,000. This is so that it can include the arbitration of police officer Bryan Acevedo's appeal, which was filed immediately upon his termination with the City. These moneys are already budgeted in the Legal Department's Contract budget for 2016 - 2017.

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**Attachments**

*No file(s) attached.*

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**Meeting Date:** 12/13/2016

**Submitted By:** Fred Knoll, Captain, Administration

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**Information**

**SUBJECT:**

Discussion and Possible action on an Memorandum of Understanding (MOU) between the Del Rio Police Department (DRPD) and the Texas Department of Public Safety (DPS) Aircraft Section to appoint a DRPD officer to the DPS Aircraft section as a Tactical Flight Officer (TFO).  
– Waylon Bullard, Chief of Police

**SUMMARY:**

Discussion and Possible action on an Memorandum of Understanding (MOU) between the Del Rio Police Department (DRPD) and the Texas Department of Public Safety (DPS) Aircraft Section to appoint a DRPD officer to the DPS Aircraft section as a Tactical Flight Officer (TFO).

**BACKGROUND:**

Del Rio Police Department (DRPD) has worked jointly with the DPS Aircraft to enhance the interagency cooperation and increase public safety by providing air support to the DRPD. The DPS Aircraft has requested to activate this program locally in hopes of collaboration between the two law enforcement agencies towards their efforts, by signing a Memorandum of Understanding (MOU) between both entities. This program would require the part time efforts of a DRPD Officer to be trained as a Tactical Flight Officer, this DRPD officer will fly in the DPS aircraft and be responsible for the operation of in flight surveillance equipment.

**DISCUSSION:**

The Texas Department of Public Safety Aircraft Section has requested this MOU with DRPD to allow a DRPD Officer to apply and be selected to assist DPS Aircraft Section on a part time basis.

**PROS:**

N/A

**CONS:**

N/A

**RECOMMENDATION:**

Staff recommends approval of a Memorandum of Understanding (MOU) between the Del Rio Police Department and the Texas Department of Public Safety Aircraft Section to appoint a DRPD officer to assist DPS Aircraft as a Tactical Flight Officer.

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**Fiscal Impact**

**FISCAL IMPACT:**

The DRPD will furnish all necessary law enforcement equipment as required to conduct the duties of a police officer. DPS will supply and issue all necessary flight equipment for aircraft operations.

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**Attachments**

MOU DPS

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**CITY OF DEL RIO AND TEXAS DEPARTMENT OF PUBLIC SAFETY**

**INTERLOCAL AGREEMENT FOR THE JOINT PARTICIPATION IN AIRCRAFT  
OPERATIONS IN VAL VERDE COUNTY, TEXAS**

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This Interlocal Agreement for the Joint Participation in Aircraft Operations in Val Verde County (“the Agreement”) is made and entered into pursuant to the Interlocal Cooperation Act, Texas Government Code § 791.001 *et seq.*, this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the City of Del Rio (“the City”), a Texas municipal corporation, and the Texas Department of Public Safety, Aircraft Division (“DPS Aircraft”).

**WHEREAS**, the City and DPS Aircraft share an interest in utilizing assets and personnel in an efficient and effective manner, especially along the Texas border where law enforcement resources are limited; and

**WHEREAS**, DPS Aircraft assists local law enforcement with pursuits, manhunts, search and rescue, disaster relief, surveillance, aerial photography, criminal transport, domestic marijuana eradication, and border security operations and responds to requests for assistance from any law enforcement agency within the State of Texas.

**WHEREAS**, this Agreement has been authorized by the governing body of the City and an authorized representative of DPS Aircraft;

**WHEREAS**, this Agreement will allow an officer with the Del Rio Police Department to become familiar with the operations of DPS Aircraft in order to facilitate shared operations and future missions by working Tactical Flight Officer assignment duties while on duty with the Del Rio Police Department;

**NOW, THEREFORE**, in consideration of the covenants, conditions and provisions set forth herein, the City and DPS hereby agree as follows:

1. Purpose

This agreement is intended to enhance the interagency cooperation and increase public safety by providing air support to the Del Rio Police Department and also providing training for the selected officer. This will help to deter crime, increase security, increase man power, and enhance public safety for the citizens of Del Rio and the State of Texas. The selected officer will fulfill and conduct Tactical Flight Officer training and responsibilities while working in that capacity with the Texas Department of Public Safety.

2. Supervision

Supervision of the officer will remain with the Del Rio Police Department for both recognition and punishment. The officer will remain bound by Del Rio Police Department policies and standard operating procedures. While fulfilling the role of tactical flight officer, all aviation operations fall under the control of the pilot in command (PIC). DPS and DPS aviation and

operations policies will be adhered to and followed at all times, as well as all applicable FAA rules and regulations.

### 3. Equipment

The Del Rio police department will furnish all necessary law enforcement equipment as required to conduct the duties of a police officer. DPS aircraft will supply and issue all necessary flight equipment required for operations, which will be retained by DPS Aircraft upon termination. The Del Rio Police Department will be responsible for uniform insignia to be worn on the issued flight suit.

### 4. Records and Reports

Original reports of investigation, evidence, and other investigative materials generated, seized, or collected by the DPS aircraft shall be retained by the agency responsible for the case. However, evidence may be turned over to other law enforcement agencies as appropriate. Copies of investigative reports and other materials may be provided to other agencies in accordance with applicable laws, rules, and regulations. Statistics will be made available to any participating agency upon request.

### 5. Use of Force

All participants shall comply with their agencies' guidelines concerning the use of firearms, deadly force, and less-lethal devices. In the event of a shooting involving personnel working under this agreement, the incident will be investigated by the appropriate agency(s).

### 6. News Media

Media inquiries will be referred to DPS. A press release may be issued and press conference held, upon agreement and through coordination with participant agencies' representatives.

### 7. Release of Liability

Each agency shall be responsible for the acts or omissions of its employees. Participating agencies or their employees shall not be considered as the agents of any other participating agency. Nothing herein waives or limits sovereign or governmental immunity under federal or state statutory or constitutional law.

### 8. Effective Date and Termination

This agreement is in effect once signed by both agencies. Participating agencies may withdraw their participation after providing 30 days advanced written notice to the other agency.

**Department of Public Safety Aviation and Operations Division**

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Print Name

---

Signature

---

Date

**City of Del Rio:**

---

Print Name & Title

---

Signature

---

Date

Meeting Date: 12/13/2016

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**Information**

**Subject**

Discussion and Possible Action on the Request for a Partnership with the Bethel Center - Henry Arredondo, City Manager

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**Attachments**

Bethel Center Assistance

Bethel Center Brochure

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900 E 13<sup>th</sup> St.  
Del Rio, TX 78840  
O: 830-775-1610  
C: 469-9767

Bethel Center of Val-Verde, Inc. was established in 1978 as the central food pantry in Del Rio & Val Verde, County

The Bethel Center was established in 1978 as the main food pantry in Del Rio and Val-Verde County. Over 20 churches The City of Del Rio, Laughlin Air Force Base, and the Community were part of the vision that Pastor George Steward from First Presbyterian Church had. His Vision was that the people will go to one central place instead of wandering around and getting help from every church. The function of the Center is to help people who are in emergency need of food, clothing, medicine, transportation (gasoline card) for out of town doctors' appointments, and utilities assistance (when there are funds available). The Bethel Center distributes food on a weekly basis. The Center is open Tuesday – Friday 3:00-6:00 pm and Saturdays 10:00-2:00 pm.

38 years later the Bethel Center continues its mission to Work as God's hands in our community providing the most in need. Every year the struggle continues due to the lack of funds. The yearly budget is about \$42,000.00. This budget allows the Center to function at its best with only two paid employees and many volunteers. Every year we see new food pantries appear from local churches or groups in the community, but we also see these food pantries slowly disappear as time goes by. The Bethel Center continues to work with and encourage the involvement of local church congregations and groups to work towards achieving longer term solutions for these families in need.

The Bethel Center also receives referrals from many agencies, but most of our referrals comes from City of Del Rio WIC Department. It might be that The Director Luz Covarrubias also works for the WIC Department and she sees the need in the clients that the WIC serves. 21.3% of the families in Del Rio live in deep poverty (with incomes below 50% of the federal poverty threshold).

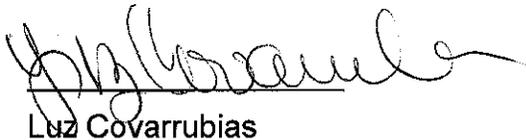
Bethel Center needs your help and support. The Center is aware that there are other food pantries requesting a match on what the County is giving them. We also want a piece of the pie. We will go to County to request a match on the amount that the City will be giving us.

Many families will go to bed hungry, we can't help them all but, we can help. We can make a difference!

The Bethel Center is a non-profit organization fully recognized by the Internal Revenue Service, the Secretary of State and the State Comptroller's office as being a tax exempt organization. We invite you or your organization to help us help the most in need in our community.

Thank you in advance for your time and your commitment to help our community. For more information on how your support and help to the Bethel Center make a difference in the lives of so many families in our community we invite you to our monthly meetings the second Wednesday of every month at 12:00 pm here at the Bethel Center.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Luz Covarrubias', written over a horizontal line.

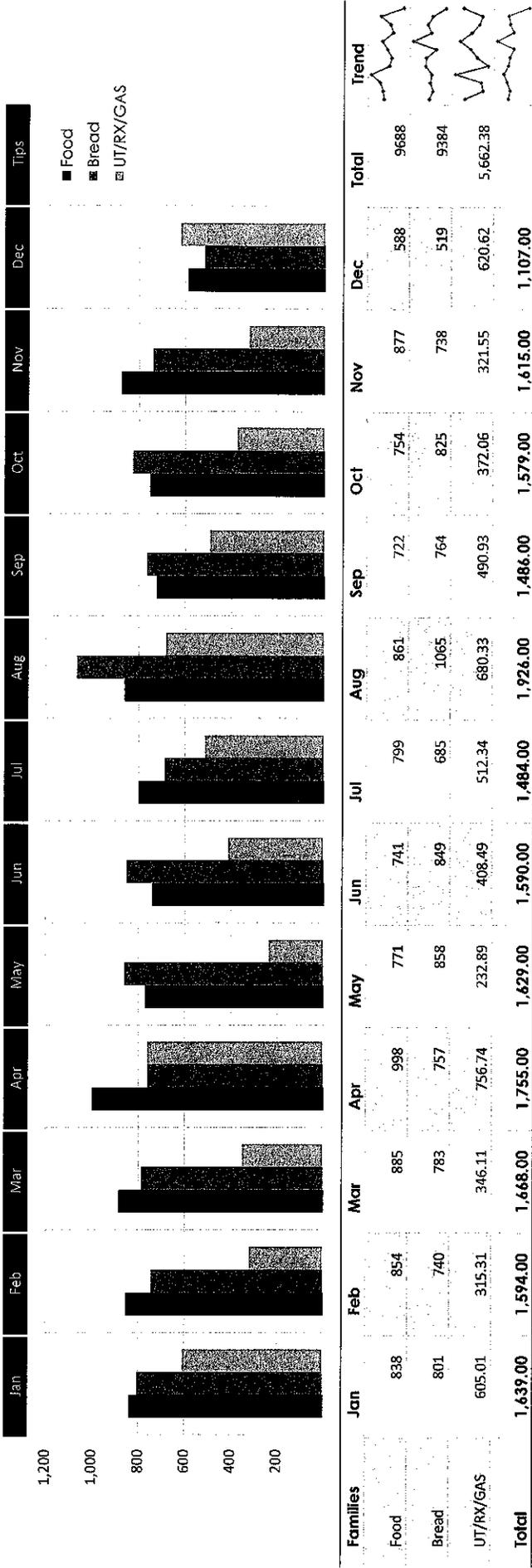
Luz Covarrubias

Center Director

# BETHEL CENTER OF VAL-VERDE, INC.

Working as God's Hands in our Community since 1978

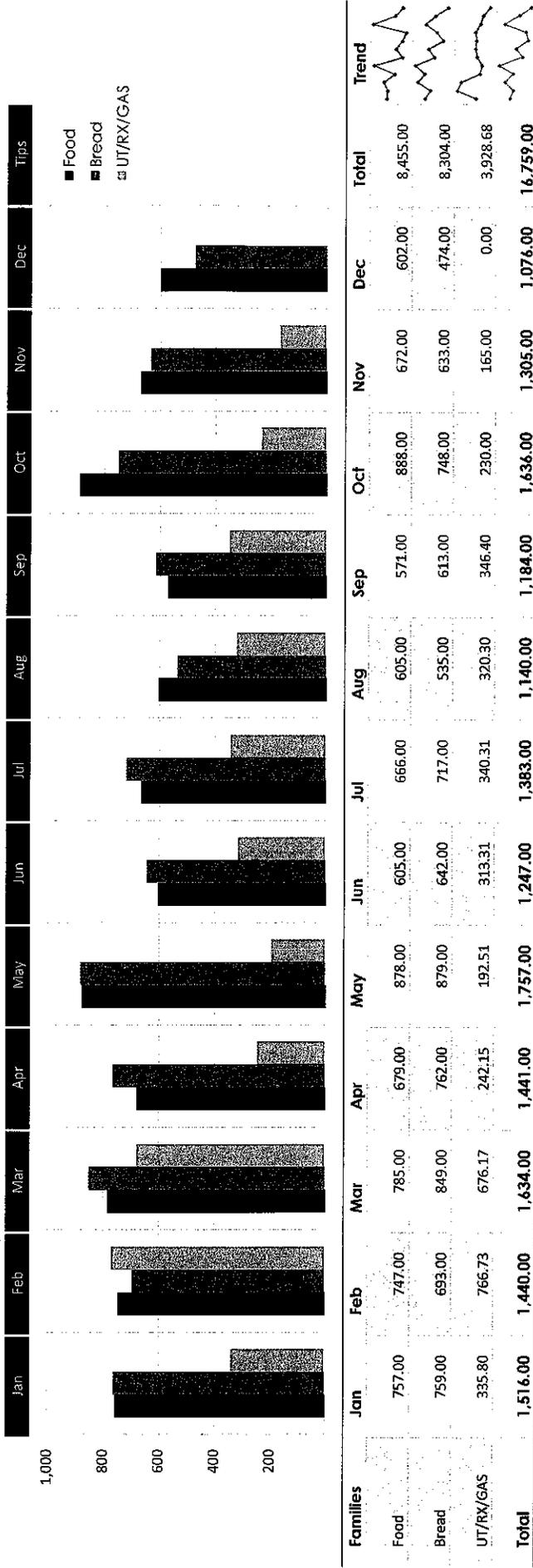
## FOOD/BREAD/UT/RX/GAS DISTRIBUTION CHART 2013



# BETHEL CENTER OF VAL-VERDE, INC.

Working as God's Hands in our Community since 1978

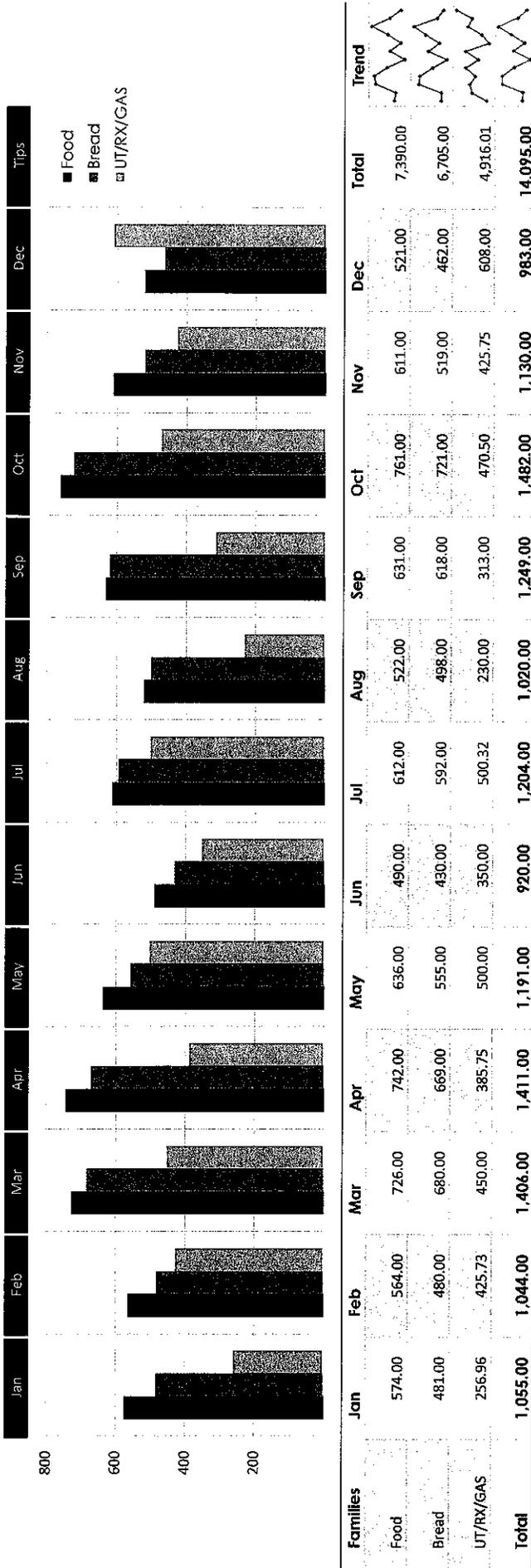
## FOOD/BREAD/UT/RX/GAS DISTRIBUTION CHART 2014



# BETHEL CENTER OF VAL-VERDE, INC.

Working as God's Hands in our Community since 1978

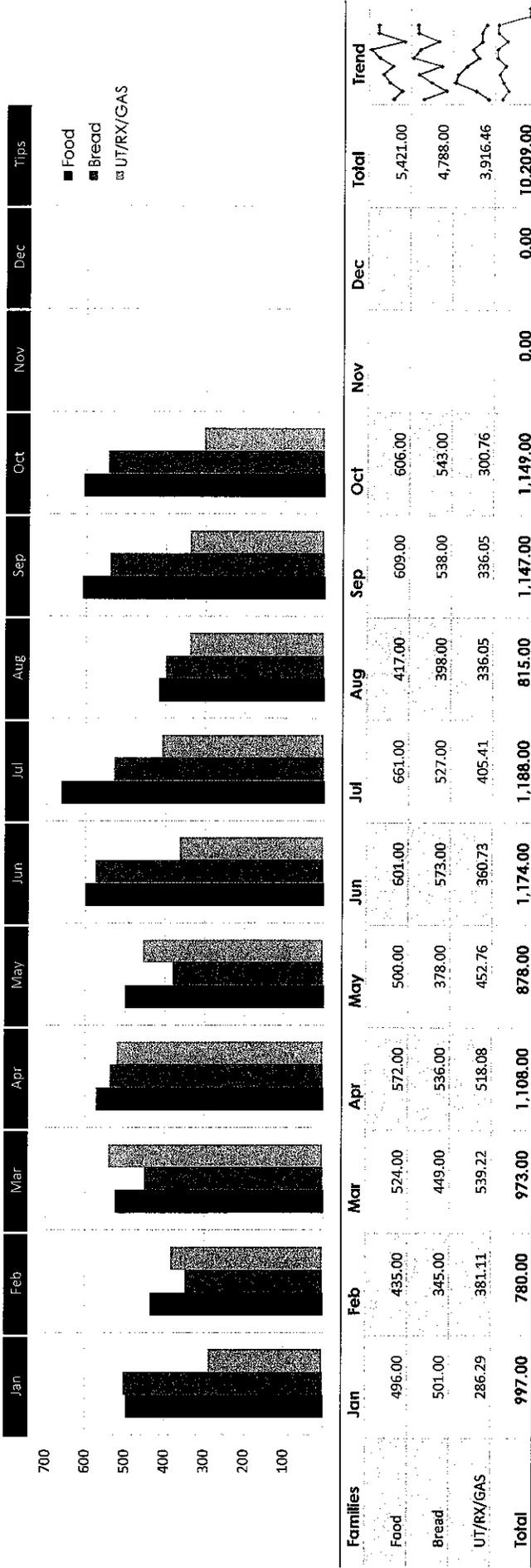
## FOOD/BREAD/UT/RX/GAS DISTRIBUTION CHART 2015



# BETHEL CENTER OF VAL-VERDE, INC.

Working as God's Hands in our Community since 1978

## FOOD/BREAD/UT/RX/GAS DISTRIBUTION CHART 2016



**So many go to bed hungry,  
We can't help them ALL,  
but, WE CAN HELP.  
WE CAN MAKE A DIFFERENCE!**

**WILL YOU HELP?**

The Bethel Center has many needs.  
If you are able to help in any way, by  
contributing money, food, house-  
hold goods, clothing or time, your  
donation will be greatly

appreciated.

Thank you

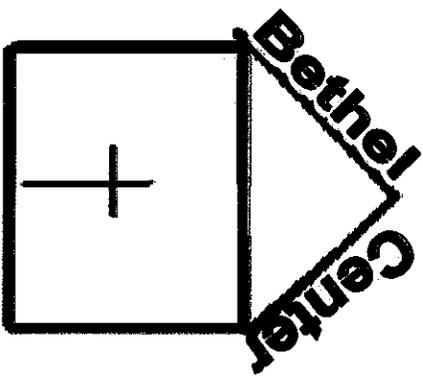
**Thank you for your support!**

- United Way
- HEB
- Wal-Mart
- Bible Way Church
- Base Chapel
- Del Rio Bible Church
- First Baptist Church
- First United Methodist Church
- First Presbyterian Church
- Grace Lutheran Church
- GEO
- Gold Star
- Living Stone Worship Center
- Northside Baptist Church
- St. James Episcopal Church

Established in 1978 as the central  
food pantry in Del Rio

&

Val Verde, County



**Working as God's Hands in our community**

900 E. 13th Street  
Del Rio, TX 78840

Hours: 3:00-6:00 pm Tuesday-  
Friday

10:00-2:00 pm Saturdays

Telephone: 830-775-1610

Cell: 830-469-9767

luzmelgoza@yahoo.com

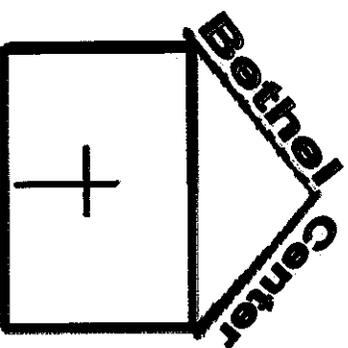


## Bethel Center of Val-Verde, Inc. Working as God's Hands in our Community

The Bethel Center is the ministry of congregations and volunteers from the community working together to help people in need.

The function of the Center is to

help people who are in emergency need of food, clothing, medicine, transportation ( gasoline card) for out of town doctors appointments, and utilities assistance ( when there are funds available).  
People requiring additional or ongoing services are referred to other agencies, both public and private for specific needs.



The Bethel Center of Val Verde Inc. is governed by a Board of Directors which is composed of two representatives from each of the participating churches.

The resources of the Center are available to all persons without regard to race, national origin, creed or sex.

The Bethel Center is a non-profit organization fully recognized by the Internal Revenue Service, the Secretary of State and the State Comptrollers office as being a tax exempt organization. We invite you or your organization to help us help the most in need in our community.

Since opening its doors, the Bethel Center has served to enable local church congregations, community groups and individuals to help the hungry and homeless with emergency needs. The Center also continues to work with and encourage the involvement of local church congregations and groups to work toward achieving longer term solutions for those in need.

A real effort is made to provide for the physical needs of people who come to the Bethel Center for help. We also provide for the spiritual needs of those who come to the Center. Staff and volunteers strive to show God's compassion and to respect the dignity of the individual and families they serve.

All monetary donations are used in the daily operations of the Bethel Center.