

NOTICE OF JOINT WORKSHOP & STATED MEETING OF THE MEADOWLAKES CITY COUNCIL

Notice is hereby given that a **JOINT WORKSHOP** of the Meadowlakes City Council and Meadowlakes Public Facilities Corporation will be held on Tuesday, the 11th of June, 2013 at **4:00 PM** followed by a Stated meeting of the Meadowlakes City Council at **5:00 PM** at Meadowlakes City Hall, 177 Broadmoor, Totten Hall, Meadowlakes, Texas, at which time the following subjects will be discussed, to wit:

~ WORKSHOP ~

- I. CALL TO ORDER AND QUORUM DETERMINATION
- II. WORKSHOP DISCUSSION
 - a. Discussion of proposal by Premier Golf EAGL GP, L.L.C. DBA Eagle Golf to lease the Hidden Falls Golf Club.
- III. ADJOURNMENT OF WORKSHOP

~ STATED MEETING ~

Notice is hereby given that a **STATED COUNCIL MEETING** of the Meadowlakes City Council will be held on Tuesday, the 11th of June, 2013 at **5:00 PM** at Meadowlakes City Hall, 177 Broadmoor, Totten Hall, Meadowlakes, Texas, at which time the following subjects will be discussed, to wit:

- I. CALL TO ORDER AND QUORUM DETERMINATION
- II. PLEDGE OF ALLEGIANCE AND PRAYER
- III. MONTHLY STANDARD LIVE REPORTS (*Progress & Status Reports Only - Recommendations or action discussions not allowed*)
 - City Manager Activity Report - Johnnie Thompson
 - Consent Items as listed below
- IV. CONSENT ITEMS (*The items listed are considered to be routine and non-controversial by the Council and may be approved by one motion. No separate discussion or action on any of the items is necessary unless desired by a Council Member; at which time select item(s) may be discussed separately under consent items and separate motion(s).*)
 - A. May 14th, 2013 Meeting Minutes –Stephanie Littleton, City Secretary
 - B. Ordinance Enforcement May 2013 Activity Report – Pat Preston
 - C. Animal Control May 2013 Activity Report - Robbie Galaway, Officer
 - D. Patrol Activity May 2013 Report - provided by Meadowlakes Patrol Officers
 - E. Vandalism/Incident May 2013 Activity Report – Stephanie Littleton, City Secretary
 - F. City Building Committee May 2013 Activity Report - Don Wheeler, Chairman
 - G. Public Works Department May 2013 Activity Report - Mike Williams, PWD
 - H. May 2013 Detailed Financials Report - Johnnie Thompson, City Manager
- V. CITIZEN COMMENTS (*Limited to 15 minutes total on general subjects and agenda items. Agenda Item specific comments should be made as part of agenda item council discussion.*)
- VI. OLD BUSINESS
 - A. Action/Discussion/Status Update: Meadowlakes Public Facility Corporation operations and financial condition-Mayor Williams
 - B. Action/Discussion/Status Update: Water storage tank project-Thompson

- C. Discussion/Action: Authorizing City Manager to request proposal for banking services.- Thompson
- D. Action/Discussion-Consider for adoption an Ordinance 2013-03 authorizing the issuance of City of Meadowlakes, Texas, General Obligation Refunding Bonds, Series 2013; authorizing a pricing officer to approve the amount, the interest rates, price, redemption provisions and terms thereof and certain other procedures and provisions related thereto; authorizing the redemption prior to maturity of certain outstanding obligations; and containing other matters related thereto.
- E. Establishing time and dates for budget workshops-Thompson

VII. NEW BUSINESS

- A. Action/Discussion: Authorizing the Mayor and City Manager to begin negotiations with Premier Golf EAGL GP, L.L.C., DBA Eagle Golf for the management of Hidden Falls Golf Course- Mayor Williams
- B. Action/Discussion/Appointment: Nomination and possible approval of the Mayor Pro Tem- Mayor Williams
- C. Action/Discussion: Retaining firm to conduct fiscal year 2013 audit and/or authorizing City Manager to solicit request for proposals for conducting fiscal year 2013 through 2017 audits.- Thompson
- D. Action/Discussion: Ordinance 2013-02 AN ORDINANCE ADOPTING AND ENACTING A NEW CODE FOR THE CITY OF MEADOWLAKES, TEXAS; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.-Mayor Williams/Littleton/Thompson
- E. Action/Discussion: Authorizing City Manager to purchase tablet computers for the purpose of providing paperless agenda packets to Councilmembers- Thompson

VIII. COUNCIL & MAYOR ANNOUNCEMENTS about items of Community Interest

(Announcements during this agenda item are limited to the following, as authorized under Section 551.0415, Tex. Gov't Code.)

- *Expressions of thanks, congratulations, or condolence;*
- *An honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding the change in the status of the person's public employment is not an honorary or salutary recognition for the purposes of this subdivision;*
- *A reminder regarding a social, ceremonial, or community event organized or sponsored by an entity governing body or an official or employee of the municipality; and*
- *Announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.*

- A. The next regularly scheduled meeting will be held June 11th, 2013 at 5:00 p.m.

IX. ADJOURNMENT

(The City Council of Meadowlakes reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by *Texas Government Code Section 551.*)

An agenda packet is available for public inspection at City Hall, 177 Broadmoor, Suite A, Meadowlakes, between the hours of 8:00 a.m. through 12:00 p.m. and 1:00 p.m. through 4:00 p.m. Monday through Friday.

THE PUBLIC IS INVITED TO CITY COUNCIL MEETINGS

We, the undersigned authorities, do certify that this Notice of Meeting was posted at Meadowlakes City Hall and on our website, convenient to the public, on or before June 7th, 2013 by 3:00 P.M. and remained so posted continuously for at least 72 hours immediately preceding the day of said meeting.

/s/Stephanie Littleton

Stephanie Littleton, City Secretary

/s/Don Williams

Don Williams, Mayor

PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED AUXILIARY AIDS OR SERVICES ARE REQUESTED TO CONTACT THE CITY SECRETARY'S OFFICE AT (830) 693-6840 FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING TIME.

Posting Removed: _____ **at** _____ **by** _____

(Above to be recorded upon removal, document retention at City Hall, date of removal will not be reposted via website)

**City of Meadowlakes
Stated Meeting Minutes
May 14, 2013**

I. CALL TO ORDER AND QUORUM DETERMINATION: Mayor Don

Williams called the meeting to order at 5:00 p.m. declaring that a quorum was present at the Meadowlakes Municipal Building in Totten Hall, 177 Broadmoor, Meadowlakes, Texas. Councilmembers present were Barry Cunningham, Mary Ann Raesener, Paul Sarcione and Franzella Jones. Also present were City Manager Johnnie Thompson and City Secretary Stephanie Littleton. Councilmember Gary Hammond was not in attendance.

II. PLEDGE OF ALLEGIANCE AND PRAYER: Paul Sarcione led the Council and guests in the Pledge of Allegiance and Pat Preston led the Council and guests in prayer.

III. MONTHLY STANDARD LIVE REPORTS:

City Manager Johnnie Thompson addressed the Council and citizens, summarizing the contents and major highlights of the monthly reports, including the patrol hours, ordinance & parking violations and the financial condition of the various City funds. Mr. Thompson updated the Council on the claim for hail damage. Mr. Thompson stated that the City is still researching the cost benefits of switching to paperless agendas. He also stated that the codification process was nearly complete, and that some progress was made with TCEQ. Mr. Thompson concluded his presentation by stating that the recent Hazardous Household Waste Collection with the County was very successful.

IV. CONSENT ITEMS:

- A.** April 9th, 2013 Meeting Minutes –Stephanie Littleton, City Secretary
- B.** Ordinance Enforcement April 2013 Activity Report – Pat Preston
- C.** Animal Control April 2013 Activity Report - Robbie Galaway, Officer
- D.** Patrol Activity April 2013 Report - provided by Meadowlakes Patrol Officers
- E.** Vandalism/Incident April 2013 Activity Report – Stephanie Littleton, City Secretary
- F.** City Building Committee April 2013 Activity Report - Don Wheeler, Chairman
- G.** Public Works Department April 2013 Activity Report - Mike Williams, PWD
- H.** April 2013 Detailed Financials Report - Johnnie Thompson, City Manager

After Council discussion, Councilmember Franzella Jones made a motion to approve the consent items as presented. Councilmember Mary Ann Raesener

seconded the motion. It passed by a unanimous vote of the Councilmembers present.

V. CITIZEN COMMENTS: Jerry Drummond addressed speeding and traffic.

VI. OLD BUSINESS:

- A.** Action/Discussion: Public hearing regarding Ordinance 2013-01 Adopting curfew hours for minors. Mayor Williams opened the Public Hearing for citizen comments. There was no discussion, and Mayor Williams closed the Public Hearing.
- B.** Action/Discussion: Second reading and possible approval of Ordinance 2013-01 **ADOPTING CURFEW HOURS FOR MINORS, DEFINING TERMS; CREATING OFFENSES FOR MINORS, PARENTS AND GUARDIANS OF MINORS; PROVIDING FOR ENFORCEMENT; PROVIDING FOR WAIVER BY THE MUNICIPAL COURT OF JURISDICTION OVER A MINOR WHEN REQUIRED UNDER THE TEXAS FAMILY CODE; PROVIDING A PENALTY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING AN OPENING CLAUSE.** After City Secretary Stephanie Littleton read the Ordinance a second time, Councilmember Paul Sarcione made a motion to approve Ordinance 2013-01. The motion was seconded by Councilmember Barry Cunningham and passed by a unanimous vote of the Councilmembers present.
- C.** Action/Discussion/Status Update: Meadowlakes Public Facility Corporation operations and financial condition. Meadowlakes PFC Board members Patti Wray and Dale Fixsen briefed the Council on the highlights of the latest financial reports. Council discussion ensued.
- D.** Action/Discussion/Status Update: Water storage tank project. City Manager Johnnie Thompson briefed the Council on the latest project updates, including the successful \$33,501 reduction in the contract price, reducing the overage to \$50,500 over the original budget. Mr. Thompson concluded his update by stating that he believes the project can be completed without utilizing reserves.

VII. NEW BUSINESS

- A.** Action/Discussion: Recognition of service for exiting council members. This item was moved to the end of the meeting, at which point Mayor Williams publicly thanked exiting Councilmembers Paul Sarcione and Franzella Jones for their years of dedication to the City and presented each of them with a certificate of recognition.
- B.** Action/Discussion: Authorization for City Manager to begin preliminary negotiations for the refinancing of portion of the City's outstanding Certificates of Obligations. After Council discussion, Councilmember Mary Ann Raesener made a motion to authorize City

Manager Thompson to research the financing company and check references. The motion was seconded by Paul Sarcione and passed by a unanimous vote of the Councilmembers present.

C. Action/Discussion: Authorizing City Manager to develop a Request for Proposal for the City's depository. After Council discussion, Councilmember Franzella Jones made a motion to authorize City Manager Thompson to develop a Request for Proposal for the City's depository. The motion was seconded by Mary Ann Raesener and passed by a unanimous vote of the Councilmembers present.

D. Action/Discussion: Establishing time and dates for budget workshops. After Council discussion, a codification and budget workshop was scheduled for May 28th at 10:00 a.m.

E. Action/Discussion: Authorizing City Manager to execute an agreement between the City and Eileen Merritt, Inc. (dba Austin Technical Services), a Texas corporation, for providing building inspection services to the City. After discussion with Council and Public Works Director Mike Williams, Councilmember Mary Ann Raesener made a motion authorizing City Manager to execute an agreement between the City and Eileen Merritt, Inc. (dba Austin Technical Services), for providing building inspection services to the City. The motion was seconded by Franzella Jones and passed by a unanimous vote of the Councilmembers present.

VIII. COUNCIL & MAYOR ANNOUNCEMENTS:

A. The next regularly scheduled meeting will be held June 11th, 2013 at 5

B. 9:30 Friday May 17th, swearing in of new Councilmembers.

C. Mayor Williams asked the Councilmembers to consider the possibility of skipping the July Stated meeting.

IX. ADJOURNMENT: Mayor Williams adjourned the meeting at 5:40 p.m.

Approved:

/s/ Don Williams **Date:** _____
Mayor, Don Williams

Attest:

/s/ Stephanie Littleton **Date:** _____
City Secretary, Stephanie Littleton

Ordinance Enforcement Report
May 2013
Summary

Calls Received: Ordinance line: 12
Security Gate: 2

45 warning letters or notices were issued during the month of May:

- 2 letters regarding Ordinance 92.02 – trailer or RV parked in drive over 72 hours
- 1 letter regarding Ordinance 92.02 –golf cart parked on lot
- 13 letters regarding Ordinance 130.02 – trash containers visible from the street
- 3 letters regarding Ordinance 130.02 – limbs or yard debris on lot over 10 days
- 24 letters regarding Ordinance 130.02 – yards or lots needing mowing
- 1 letter regarding Ordinance 150.18 – Bldg. code violation
- 1 letter regarding Property Maintenance Code 302.7 – fence in disrepair

20 warning tickets were issued regarding Ordinance 92.02 – for parking infractions most of which were parking on the wrong side of street

14 verbal warnings were issued.

Submitted by:

Pat Preston

Pat Preston
Ordinance Enforcement Officer
June 3, 2013

Animal Control Report

Meadowlakes, Texas

May, 2013

- **There was a confirmed case of a rabid bat that had been retrieved from a house on Dog Leg**
- **Three complaints were for barking dogs**
- **Three calls were for loose dogs in the city**
- **Three city traps were loaned out for varmint digging in yards**
- **One resident reported that his dog was missing**
- **One trapped cat was taken to the Marble Falls Animal Control facility**
- **One call was for swarming bees in the water meter box in front of a resident's yard**
- **Two stray dogs were retrieved and taken to the Marble Falls Animal Control facility**
- **Two trapped raccoons were removed from the city**
- **One bat was removed from the side of a resident's house - it was removed from the city**
- **A dead squirrel was picked up and removed from the city**
- **A stray dog was picked up and delivered back to its owner**
- **A complaint was received for a dog attacking a smaller dog. A citation was issued to the dog owner**
- **A water moccasin was removed from a garage and destroyed**
- **A registration non-compliance was received and the owner was advised on how to register the pet**
- **One missing cat call was received**

Robbie Galaway

Robbie Galaway

MEADOWLAKES PATROL ACTIVITY REPORT May 2013

DATE	DAY	DEPUTY	START TIME	END TIME	HRS	CITATION	WARNING	VERBAL	OTHER	NOTES	Begin Mileage	End Mileage	Miles Driven
5/1/10													0
5/2/10	Thu	Bindseil	7:00 AM	10:00 AM	3:00					Monitor work/school traffic	66986	66997	11
5/3/10													0
5/4/10	Sat	Bindseil	7:00 PM	11:00 PM	4:00						67112	67132	20
5/5/10													0
5/6/10	Mon	Wilson	7:15 AM	10:15 AM	3:00					Patrol, radar	51765	51788	23
5/7/10	Tue	Bindseil	6:00 PM	9:00 PM	3:00					Security check at City Hall, Sewer plant, pro shop/country club	67169	67181	12
5/8/10	Wed	Bindseil	11:00 AM	2:00 PM	3:00						67192	67206	14
5/9/10	Thu	Koenning	3:15 PM	6:15 PM	3:00			1			99859	99878	19
5/10/10	Fri	Perez	6:00 PM	9:00 PM	3:00		1			Patrol, radar, check on City buildings. Warning ticket for defective headlight.	65600	65618	18
5/11/10													0
5/12/10													0
5/13/10	Mon	Bindseil	1:00 PM	4:00 PM	3:00					Monitor work/school traffic	67445	67457	12
5/14/10	Tue	Koenning	3:00 PM	6:00 PM	3:00	1					100465	100483	18
5/15/10													0
5/16/10	Thu	Wilson	7:15 AM	10:15 AM	3:00					Patrol, radar	52131	52157	26
5/17/10	Fri	Koenning	7:00 PM	10:00 PM	3:00					Responded to 336 San Sabain ref. to resident threatened by another res on Stewart	100748	100763	15
5/18/10	Sat	Perez	8:00 PM	11:00 PM	3:00			1		Patrol, radar, check on City buildings.			0
5/19/10	Sun	Bindseil	1:00 PM	4:00 PM	3:00						67535	67547	12
5/20/10	Mon	Wilson	7:00 AM	10:00 AM	3:00					Patrol, radar	52496	52517	21
5/21/10	Tue	Perez	6:00 PM	9:45 PM	3:45					Patrol, radar, monitored stop signs, found unlocked door at Club, waited until employee could be located and verified building secure.	66326	66345	19
5/22/10													0
5/23/10	Thu	Koenning	3:00 PM	6:00 PM	3:00								0
5/24/10	Fri	Bindseil	6:00 PM	9:00 PM	3:00						67739	67752	13
5/25/10	Sat	Perez	6:00 PM	9:00 PM	3:00	1				Speeding citation issued on Meadowlakes Dr, 38/25	66715	66735	20
5/26/10													0
5/27/10	Mon	Bindseil	9:00 AM	12:00 PM	3:00					Monitor holiday activites	67956	67969	13
5/28/10	Tue	Koenning	3:00 PM	6:00 PM	3:00								0
5/29/10	Wed	Perez	6:00 PM	9:00 PM	3:00					Worked with BCSO on call at 227 Meadowlakes Dr regarding criminal trespass	67024	67044	20
5/30/10													0
5/30/11													0
5/31/10	Fri	Bindseil	8:00 AM	12:00 PM	4:00						68288	68306	18

TOTALS:

68.45

2

1

2

0

336

City of Meadowlakes

VANDALISM/INCIDENTS-May 2013

There were no reports of vandalism for the month of May.

BUILDING COMMITTEE REPORT
May 2013
Don Wheeler – Building Committee Chairman

ACTIVE BUILDING PERMITS (under construction or review)20
(adjusted for the completion of several fences/patio covers)

May 2013 Approved Permits

<i>Deck</i>	
<i>Fence</i>	<i>3</i>
<i>Swimming Pool/Hot Tub</i>	<i>1</i>
<i>Remodel</i>	<i>3</i>
<i>Variance</i>	
<i>New Homes</i>	<i>2 (107 Pinehurst, 117 Pinehurst)</i>
<i>Other</i>	<i>1 (water heater replacement)</i>
<i>Patio Cover</i>	<i>1</i>
<i>Arbor</i>	
<i>Plat Amendment</i>	
<i>Consultation</i>	
<i>Playscape</i>	
<i>Permit Revisions</i>	
<i>Applications denied:</i>	<i>Arbor</i>
	<i>Fence</i>
	<i>New home</i>
	<i>Variance</i>
	<i>Remodel</i>
	<i>Patio Cover</i>
	<i>Playscape</i>
	<i>Detached Structure</i>
	<i>Carport</i>
	<i>Propane gas storage tank</i>
	<i>Roof replacement</i>
	<i>Other</i>

City of Meadowlakes

177 Broadmoor
Meadowlakes, Texas 78654
USA

Phone (830) 693-2951
Fax (830) 693-2124

MEMORANDUM

Date: June 5, 2013
To: Honorable Mayor and Council
From: Mike Williams, Public Works Director
Subject: Public Works Activity Report

To follow is a list of some of the activities of the PWD the past month:

1. Information regarding amount of water treated is not available at this time. It will be included in the report next month.
2. Replaced approx. 100 feet of golf course irrigation piping at the spillway on #17. There was a leak in the line under the spillway so the repair was made by piping around the spillway and tying into the irrigation line on each side. A six inch line was installed as an upgrade to the four inch lint that was there in anticipation of future upgrades to the irrigation system.
3. Tasks for the POA that were done this month include: Mowing weekly at the guard gate and parks, installed 1 more "no glass" sign at the pavilion. Completed 2 mowing cycles of vacant lots, worked on irrigation system for the children's park.
4. We had reports of bees in 3 different water meter boxes this past month. If anyone knows of a beekeeper that would be willing to collect any bees that are reported rather than spraying and killing them, please let me know.
5. Weekly brush pickup – we would like to remind our residents to please call city hall to be put on the weekly pickup list and to review the guidelines for the items that can and cannot be picked up. We are seeing more limbs that are being put out for us to chip that are smaller than the required diameter per our ordinance. A door hangar with the brush ordinance printed on it is left at any home that have items that do not meet the requirements of the ordinance.
- 6.

City of Meadowlakes

Items for Consideration

City Council Meeting

June 11, 2013

Agenda Item-IV-H

Date: *June 4, 2013*

To: *Honorable Mayor Williams and Council Persons*

From: *Johnnie Thompson, City Manager*

Agenda Item: *IV-H-May 2013 Financial Statements*

Requested Council Agenda Date: *June 11, 2013*

Contact Name & Number: *Johnnie Thompson, City Manager*

1. Place On: *J Consent New Business Old Business*

2. Budget Impact Statement Attached: *Yes No ✓ N/A*

3. Original Copies of Documents Approved to from by City Attorney?

Yes No ✓ N/A

4. Background:

Please find accompanying this MEMO copies of the May 2013 financial statements for the Utility, General, RCC, Debt and Construction funds as well as May's check registers. I will briefly review each with you below.

Combined Balance Sheets (Pages 1 and 2)

Utility Fund cash balance has increased approximately \$13,700 over the past month and is approximately \$91,000 greater than at the end of May last year. Uncommitted cash (current cash less current liabilities) increased from \$347,500 at the end of April to \$364,900 at the end of May, a \$17,400 increase in uncommitted funds. In comparing current uncommitted funds to those at the end of May of last our uncommitted cash reserves have increased nearly \$61,400.

Debt Service Fund cash balance also increased during May by slightly more than \$22,000. Compared to this time last year the funds cash balance has approximately \$18,000 less. The fund cash balance will continue to increase until late August when we will be making a large principal and interest payment.

Construction Fund cash balance decreased slightly more than \$8,000 in May due to expenses related to the new water storage tank project.

General Fund cash balance decreased by nearly \$28,000 in May which is normal for this time of year, and the fund has approximately \$7,000 more on deposit than at the end of May last year. The uncommitted cash balance at the end of May was nearly \$392,500 while at the end of May of last year it was approximately \$28,000 less.

Recreation Fund has a cash balance of \$34,400 which is \$6,280 greater than the end of April. Of this nearly \$13,000 are donated funds being held in escrow for golf course improvements. The golf course improvement fund saw nearly \$4,300 in donations during the May. Collectively we had approximately \$6,000 more on deposit at the end of May than at the end of April.

Statement of Net Assets (Page 3)

This report provides the City's financial condition in a different format which lists all assets and liabilities on one page. The balance sheet on pages 1 and 2 only reflect those assets and liabilities by each fund and does not necessarily provide a clear review of the City's total assets and liabilities. The General Fund balance sheet does not reflect the outstanding bonds or assets of the golf course while this report does.

Utility Fund (Pages 4 through 7)

The Utility Fund continues to perform fairly well. May's expenses exceed those budgeted by nearly \$3,000, the overage was entirely due to \$3,650 more in transfers out than budgeted for the period. May's revenue exceeded those budgeted for the period by about \$1,000. In comparing year-to-date, revenues are \$19,000 greater than those budgeted and total expenses are \$79,000 less. Approximately \$17,000 of the decrease in expenses is attributed to less funds being transferred out than budgeted. Overall, the fund had a net operating loss of \$5,175 compared to the budgeted loss of \$2,863. Although we did have a loss in May, the funds year-to-date gain is slightly more than \$40,000 compared to a budgeted loss of nearly \$62,000.

In comparing the fund to the same period last year the fund's total revenue for May 2013 was approximately \$5,200 greater and the year-to-date revenues are \$62,000 greater, mainly due to increased water rates. May 2012 expenses were approximately \$16,000 less than May of 2013. This decrease in expenses is mainly due to approximately \$7,000 less in funds being transferred out and \$5,500 in repairs to the wastewater treatment plant. In comparing the year-to-date to those at this time last year, total expenses are approximately \$50,500 greater due to the increase in funds transferred out.

The net gain for the fund fiscal year-to-date stands at slightly more than \$40,000 compared to slightly more than \$28,000 at this time last year. Overall I believe the fund is performing better than expected.

Debt Service Fund (Page 8)

Not much activity has occurred in this fund over the past month other than a few property tax deposits and the monthly fund transfers. As previously mentioned we have a large principal and interest payment due at the end of August, approximately \$355,000 bond payment and \$24,000 on the ground storage tank. Depending on how the remainder of the anticipated tax revenue comes in we may have to accelerate the transfer in August to provide the needed funds to make these payments. If this necessary we will adjust the September transfer to reflect the additional funds needed in August.

Construction Fund (Page 9)

The Construction Fund had very little activity in May with only two checks being issued, for engineering services in the amount of \$7,608 and the other written to reimburse the Utility Fund for expenses it paid related to the tank foundation work.

General Fund (Pages 10 through 14)

The General Fund is overall performing fairly well even though revenue for May was about \$3,200 less than budgeted. Expenses for the month were slightly below those budgeted. The fund had a net loss (which is expected this time of year) of \$26,740; \$1647 greater than the budgeted loss. While the fund did have a loss for the month, the year-to-date net gain is slightly greater than \$95,000, compared to the budgeted gain of \$67,400. Overall total revenues to date are about \$2,000 less than those budgeted and expenses are about \$30,000 less. Compared to this time last year revenues for May 2013 are \$6,700 less mainly due to a decrease in property tax revenue, while the year-to-date revenues are about \$37,000 greater. Year-to-date expenses are about \$41,000 greater than at this time last year, due to the purchase of the lot adjacent to City Hall as well as an additional \$20,000 transferred out to other funds. Actual operating expenses are about \$9,000 less than at this time last year.

Recreation Fund (Page 15)

Not much activity was conducted in the fund other than approximately \$4,300 in donations.

Cash Flow Analysis (Pages 16 through 18)

The attached cash flow analysis provides the actual cash flow of the various funds. This differs somewhat from other reports because those reports, as governmental funds, are based on the accrual method of accounting, while the cash flow is based entirely on cash deposited and cash disbursed. Please find a brief review of the funds that I prepare the analysis on.

Utility Fund *had a negative cash flow of \$5,684 in May mainly due to the fund having three payrolls instead of the normal two during the period. Total revenues*

deposited were very near those of last month while cash disbursements increased by about \$25,000. Overall the fund is doing quite well with a positive cash flow in excess of \$47,000 so far this fiscal year compared to \$26,000 at this time last year.

Debt Service Fund *had a positive cash flow of slightly more than \$22,000 in May and \$316,646 so far this fiscal year. This compares to \$14,800 and \$326,200 respectfully last year.*

General Fund *had a negative cash flow of nearly \$18,600 in May and has a positive cash flow of nearly \$101,000 so far this fiscal year. As mentioned in prior updates, the General Fund is expected to have a negative cash flow for March through November of each fiscal year due to the nature of its income being primarily derived from property taxes collected in December-February of each year.*

Check Registers (Pages 19 through 33)

Accompanying please find the check registers for all funds for the month of May 2013. Most disbursements are the normal recurring expenses with the following exceptions:

Utility Fund

- Ck #13589 issued to General Chemical in the amount of \$2,844.66. This was for bulk water treatment plant chemicals which are a year's worth of this type of chemicals.*
- Ck #13597 issued to VISA in the amount of \$2,398.79 was for various items purchased during the month of April with over \$1,000 of it to be reimbursed to the fund either by the General fund or the POA.*

Construction Fund- only one check #113 issued to Southwest Engineers in the amount of \$7,607.50 for engineer services related to the ground storage tank. This payment was made per our agreement with the firm.

General Fund- had several checks written to various construction firms for building cleanup deposits.

Payroll Account- as mentioned we had three payrolls in May compared to the normal two. We have three payrolls only in two months during a fiscal year. We had one late last year and will not have another this calendar year until November.

Should you have any questions regarding the forgoing please do not hesitate to give me a call.

City of Meadowlakes
Combined Balance Sheet
As of May 31, 2013

	<i>Utility Fund</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>General Fund</i>	<i>Recreation Fund</i>	<i>Total</i>
Current Assets						
Operating Cash						
Petty Cash	\$ 600	\$ -	\$ -	\$ 150	\$ -	\$ 750
Checking	\$ 61,772	\$ -	\$ -	\$ 4,753	\$ 34,400	\$ 100,926
Money Markets/CD's	\$ 433,354	\$ 328,071	\$ 287,142	\$ 396,131		\$ 1,444,698
Total Operating Cash	\$ 495,726	\$ 328,071	\$ 287,142	\$ 401,034	\$ 34,400	\$ 1,546,373
						\$ -
Accounts Receivable						\$ -
Long Term Receivables	\$ 281,394	\$ -	\$ -	\$ 200	\$ 200	\$ 281,794
Current Receivables	\$ 80,073		\$ -	\$ 9,107		\$ 89,180
Total Receivables	\$ 361,467	\$ -	\$ -	\$ 9,307	\$ 200	\$ 370,974
Inventory	\$ 26,704	\$ -	\$ -	\$ -	\$ -	\$ 26,704
Total Current Assets	\$ 883,897	\$ 328,071	\$ 287,142	\$ 410,341	\$ 34,600	\$ 1,944,051
Fixed Assets						
Other Fixed Assets	\$ 3,715,026	\$ -	\$ -		\$ 113,979	\$ 3,829,005
Total Fixed Assets	\$ 3,715,026	\$ -	\$ -	\$ -	\$ 113,979	\$ 3,829,005
TOTAL ASSETS	\$ 4,598,923	\$ 328,071	\$ 287,142	\$ 410,341	\$ 148,579	\$ 5,773,056

City of Meadowlakes
Combined Balance Sheet
As of May 31, 2013

	<i>Utility Fund</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>General Fund</i>	<i>Recreation Fund</i>	<i>Total</i>
Current Liabilities						
Accounts Payable	\$ 24,628	\$ -	\$ -	\$ 6,037	\$ -	\$ 30,665
Deferred Revenues	\$ 3,147	\$ -	\$ -	\$ 9,107		\$ 12,254
Other Current Liabilities	\$ 11,173	\$ -	\$ -	\$ -	\$ -	\$ 11,173
Service Deposits Payable	\$ 74,754	\$ -	\$ -	\$ -	\$ -	\$ 74,754
Total Current Liabilities	\$ 113,701	\$ -	\$ -	\$ 15,144	\$ -	\$ 128,845
Reserve Funds						
Golf Course Improvement	\$ -	\$ -	\$ -		\$ 12,827	\$ 12,827
Vehicle & Machinery Replace	\$ 17,127	\$ -	\$ -		\$ -	\$ 17,127
Judicial Discretionary Funds	\$ -	\$ -	\$ -	\$ 469	\$ -	\$ 469
Unemployment Reserve Fund	\$ -	\$ -	\$ -	\$ 2,750	\$ -	\$ 2,750
Facilities Replacement Fund	\$ -	\$ -	\$ -	\$ 7,345	\$ -	\$ 7,345
Total Reserve Funds	\$ 17,127	\$ -	\$ -	\$ 10,564	\$ 12,827	\$ 40,518
Long Term Liabilities						
2008 General Obligation Bonds	\$ 255,000	\$ -	\$ -	\$ -	\$ -	\$ 255,000
2013 Tank Lease/Purchase	\$ 300,000					\$ 300,000
Total Long Term Liabilities	\$ 555,000	\$ -	\$ -	\$ -	\$ -	\$ 555,000
Prior Period Adjustments	\$ 296,586	\$ -	\$ -	\$ -	\$ 99,677	\$ 396,263
Total Liabilities	\$ 982,414	\$ -	\$ -	\$ 25,708	\$ 112,504	\$ 1,120,626
Equity						
Retained Earnings	\$ 352,918	\$ -	\$ -	\$ 206,079		\$ 558,997
Fund Balance	\$ 180,682	\$ -	\$ -	\$ 83,493	\$ (93,936)	\$ 170,239
Reserve for Inventories	\$ 21,711	\$ -	\$ -	\$ -		\$ 21,711
Fixed Assets	\$ 3,316,343	\$ -	\$ -	\$ -	\$ 76,084	\$ 3,392,427
Debt Service Fund	\$ -	\$ 16,367	\$ -	\$ -	\$ 33,375	\$ 49,742
Capital Projects Fund	\$ -	\$ -	\$ 480	\$ -	\$ -	\$ 480
Net Income	\$ 40,039	\$ 316,286	\$ (13,104)	\$ 95,061	\$ 20,553	\$ 458,834
Total Equity	\$ 3,911,693	\$ 332,653	\$ (12,624)	\$ 384,633	\$ 36,076	\$ 4,652,430
TOTAL LIABILITIES & EQUITY	\$ 4,894,107	\$ 332,653	\$ (12,624)	\$ 410,341	\$ 148,580	\$ 5,773,056

City of Meadowlakes

Statement of Net Assets

	Governmental Activities 9-30-12	Governmental Activities 5-31-13	Change First of FY to Current Period	Business Type Activites 9-30-12	Business Type Activites 5-31-13	Change First of FY to Current Period
ASSETS						
Cash and Cash Equivalents	\$ 314,262	\$ 735,028	\$ 420,766	\$ 453,577	\$ 817,268	\$ 363,691
Receivables	\$ 12,911	\$ 9,107	\$ (3,804)	\$ 112,678	\$ 80,073	\$ (32,605)
Note Receivable	\$ -	\$ -	\$ -	\$ 289,394	\$ 281,394	\$ (8,000)
Inventory	\$ -	\$ -	\$ -	\$ 26,704	\$ 26,704	\$ -
Other Assets	\$ -	\$ -	\$ -	\$ 200	\$ 200	\$ -
Capitalized Debt Issuance Cost	\$ 57,677	\$ 57,677	\$ -	\$ 2,217	\$ 2,217	\$ -
Capital Assets			\$ -			
Land	\$ 1,797,556	\$ 1,824,901	\$ 27,345	\$ 42,334	\$ 42,334	\$ -
Infrastrucure, net	\$ -	\$ -	\$ -	\$ 3,035,476	\$ 3,035,476	\$ -
Building, net	\$ 1,021,270	\$ 1,021,270	\$ -	\$ 290,640	\$ 290,640	\$ -
Improvements, net	\$ 140,088	\$ 140,088	\$ -	\$ 232,206	\$ 232,206	\$ -
Machinery and Equipment, net	\$ 39,545	\$ 39,545	\$ -	\$ 194,140	\$ 194,140	\$ -
Construction in Progress	\$ -	\$ -	\$ -	\$ 25,993	\$ 44,104	\$ 18,111
Total Assest	\$ 3,383,309	\$ 3,827,616	\$ 444,307	\$ 4,705,559	\$ 5,046,755	\$ 341,196
LIABILITIES						
Accounts Payable	\$ 22,189	\$ 8,391	\$ (13,798)	\$ 67,755	\$ 54,582	\$ (13,173)
Salaries and wages Payable	\$ 3,646	\$ -	\$ (3,646)	\$ 5,118	\$ -	\$ (5,118)
Accrued Inteest Payable	\$ -	\$ -	\$ -	\$ 719	\$ -	\$ (719)
Service Deposits	\$ -	\$ -	\$ -	\$ 72,225	\$ 74,754	\$ 2,529
Non Current Liabilities:	\$ -	\$ -				\$ -
Due Within One Year	\$ 15,000	\$ 15,000	\$ -	\$ 255,000	\$ 255,000	\$ -
Due in More Than One Year	\$ 3,592,372	\$ 3,592,372	\$ -	\$ 10,454	\$ 310,454	\$ 300,000
Total Liabilities	\$ 3,633,207	\$ 3,615,763	\$ (17,444)	\$ 411,271	\$ 694,790	\$ 283,519
NET ASSETS						
Invested in Capital Assets	\$ (541,541)	\$ (541,541)	\$ -	\$ 3,751,789	\$ 3,751,789	\$ -
Unrestricted Net Assest	\$ 291,643	\$ 291,643	\$ -	\$ 728,499	\$ 728,499	\$ -
Total Net Assets	\$ (249,898)	\$ 211,854	\$ 461,752	\$ 4,294,288	\$ 4,351,965	\$ 57,677

City of Meadowlakes

Utility Fund Profit Loss

	May 13	Budgeted May 13	Oct '12 - May 13	Budgeted Oct'12 -May 13
Revenue:				
5010 · Water Revenue	\$ 31,602	\$ 32,700	\$ 235,112	\$ 225,500
5020 · Sewer Revenues	\$ 37,796	\$ 37,400	\$ 300,433	\$ 298,900
5030 · Garbage Revenue	\$ 16,514	\$ 16,400	\$ 131,682	\$ 130,900
5040 · Pump Fee Revenue	\$ 1	\$ -	\$ 59	\$ -
5110 · Contract Services	\$ 6,667	\$ 6,667	\$ 53,333	\$ 53,336
5120 · Water Connect Fee Revenue	\$ 725	\$ -	\$ 4,350	\$ 725
5130 · Sewer Connect Fee Revenue	\$ 725	\$ -	\$ 4,350	\$ 725
5140 · Transfer Fee	\$ 225	\$ 175	\$ 1,700	\$ 1,450
5150 · Penalty & Interest Earned	\$ 567	\$ 520	\$ 4,364	\$ 4,160
5170 · Miscellaneous Revenues	\$ 223	\$ 125	\$ 3,332	\$ 1,000
5181-Non-Operating Rev-Transfer in from General Fund	\$ -	\$ -	\$ 25,000	\$ 25,000
5200 · Interest earned on Investments	\$ 84	\$ 175	\$ 1,442	\$ 1,400
	<u>\$ 95,129</u>	<u>\$ 94,162</u>	<u>\$ 765,157</u>	<u>\$ 743,096</u>
Expenses:				
Total 6100 · Employee Expenses	\$ 41,858	\$ 43,650	\$ 262,122	\$ 281,220
Total 6200 · Administrative Expenses	\$ 1,332	\$ 1,875	\$ 36,613	\$ 42,400
Total 6300 · Operating Expenses	\$ 21,733	\$ 19,750	\$ 149,175	\$ 184,050
Total 6400 · POA Contract Mowing Expense	\$ 711	\$ 750	\$ 2,448	\$ 4,800
Total 6500 · Other Expenses-Garbage	\$ 14,419	\$ 14,400	\$ 114,861	\$ 115,200
Total 8200 · Transfer to Other Funds	\$ 20,250	\$ 16,600	\$ 159,900	\$ 176,600
	<u>\$ 100,304</u>	<u>\$ 97,025</u>	<u>\$ 725,119</u>	<u>\$ 804,270</u>
Total Expense	\$ 100,304	\$ 97,025	\$ 725,119	\$ 804,270
Net Gain/(Loss)	\$ (5,175)	\$ (2,863)	\$ 40,039	\$ (61,174)

City of Meadowlakes

Utility Fund Profit Loss

	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - May 13</u>	<u>Budgeted Oct'12 -May 13</u>
6100 · Employee Expenses				
6110 · Salaries & Wages				
6410 · Salaries Exempt Employees	\$ 12,349	\$ 12,125	\$ 71,910	\$ 72,700
6415 · Salaries & Wages-Non-Exempt	\$ 21,545	\$ 22,000	\$ 122,202	\$ 131,000
6416 · Overtime & Standby Pay	\$ 1,264	\$ 900	\$ 6,704	\$ 5,800
6417 · Longevity Pay-Exempt/Non-Exempt	\$ -	\$ -	\$ 4,455	\$ 4,700
6518 · Reserve Payroll Expense	\$ -	\$ 1,000	\$ -	\$ 5,400
Total 6110 · Salaries & Wages	\$ 35,158	\$ 36,025	\$ 205,271	\$ 219,600
6111 · Other Employee Expenses				
6116 · Unemployment Expense	\$ -	\$ -	\$ 1,750	\$ 1,750
6120 · FICA Expense	\$ 2,690	\$ 2,800	\$ 16,095	\$ 16,850
6140 · Worker's Compensation Insurance	\$ -	\$ -	\$ 5,443	\$ 5,100
6150 · Employee Insurance Expenses	\$ 3,101	\$ 3,800	\$ 26,721	\$ 30,400
6160 · Employee Retirement Expense	\$ 380	\$ 400	\$ 1,921	\$ 2,800
6170 · Employee Uniform Expense	\$ 299	\$ 300	\$ 2,461	\$ 2,300
6180 · Employee Training & Travel Exp	\$ 195	\$ 300	\$ 2,180	\$ 2,250
6560 · Payroll Expenses	\$ 36	\$ 25	\$ 281	\$ 170
Total 6111 · Other Employee Expenses	\$ 6,700	\$ 7,625	\$ 56,851	\$ 61,620
Total 6100 · Employee Expenses	\$ 41,858	\$ 43,650	\$ 262,122	\$ 281,220
6200 · Administrative Expenses				
6210 · Auditing Expense	\$ -	\$ -	\$ 5,190	\$ 6,000
6225 · Misc. Dues & Fees				
6226 · TECQ Fees	\$ -	\$ -	\$ 3,629	\$ 4,000
6227 · Other Misc. Dues & Fees	\$ 90	\$ -	\$ 416	\$ 1,500
Total 6225 · Misc. Dues & Fees	\$ 90	\$ -	\$ 4,045	\$ 5,500
6235 · Computer/Office Equip R&M	\$ -	\$ 175	\$ 1,368	\$ 1,300
6240 · Software Update	\$ -	\$ 400	\$ 1,064	\$ 1,850
6245 · Office Equipment Rental	\$ -	\$ 100	\$ 416	\$ 800
6250 · Office Supplies	\$ 668	\$ 400	\$ 2,348	\$ 2,700
6255 · Postage Expense	\$ -	\$ 150	\$ 1,619	\$ 2,450
6260 · Telephone Expense	\$ 575	\$ 500	\$ 3,741	\$ 3,700
6270 · Insurance - GL & Property	\$ -	\$ -	\$ 15,752	\$ 16,500
6280 · Bad Debts	\$ -	\$ -	\$ -	\$ 250
6282 · Administrative-Miscellaneous	\$ -	\$ 150	\$ 1,069	\$ 1,350
Total 6200 · Administrative Expenses	\$ 1,332	\$ 1,875	\$ 36,613	\$ 42,400

City of Meadowlakes

Utility Fund Profit Loss

	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - May 13</u>	<u>Budgeted Oct'12 -May 13</u>
6300 · Operating Expenses				
6301 · Water Treatment Operational Exp				
6305 · Water Treatment Electrical	\$ 2,682	\$ 3,000	\$ 19,371	\$ 22,000
6310 · Heating Fuel-WTP	\$ -	\$ -	\$ 320	\$ 1,000
6314 · R&M-Plant & Pump Station	\$ 4,007	\$ 3,000	\$ 10,541	\$ 36,000
6316 · WTP Chemical Expense	\$ 1,027	\$ 700	\$ 18,789	\$ 11,000
6320 · Water Outside Testing Expense	\$ 107	\$ 175	\$ 1,720	\$ 1,325
6328 · Distribution Repair & Maint.	\$ 21	\$ 650	\$ 2,259	\$ 5,000
6355 · Meter Purchased	\$ -	\$ -	\$ 8,961	\$ 13,750
6360 · Tap Materials	\$ 1,011	\$ 275	\$ 1,011	\$ 2,400
Total 6301 · Water Treatment Operational Exp	\$ 8,854	\$ 7,800	\$ 62,972	\$ 92,475
6302 · Wastewater Operational Expenses				
6304 · Wastewater Electrical	\$ 2,208	\$ 2,300	\$ 18,991	\$ 18,500
6311 · Propane-Wastewater	\$ -	\$ 500	\$ 360	\$ 1,000
6317 · WWTP Chemicals	\$ 192	\$ 500	\$ 2,730	\$ 5,000
6318 · Outside Testing Wastewater	\$ 91	\$ 200	\$ 762	\$ 1,600
6321 · Collection System R&M	\$ 153	\$ -	\$ 6,091	\$ 1,750
6322 · Irrigation Maintenance Expense	\$ 1,365	\$ 625	\$ 1,916	\$ 5,000
6324 · Irrigation Electric Subsidy	\$ 625	\$ 625	\$ 5,000	\$ 5,000
6327 · WWTP Repair & Maintenance	\$ 6,544	\$ 1,000	\$ 11,640	\$ 10,000
Total 6302 · Wastewater Operational Expenses	\$ 11,178	\$ 5,750	\$ 47,490	\$ 47,850
6303 · Other Operational Expenses				
63031 · Repair & Maintenance-Other				
6329 · R&M-Building/Misc.	\$ 266	\$ 625	\$ 3,897	\$ 5,000
63291 · Drainage Repair & Maintenance	\$ -		\$ 5,359	\$ 2,500
Total 63031 · Repair & Maintenance-Other	\$ 266	\$ 625	\$ 9,256	\$ 7,500
6330 · Vehicle Repair & Maintenance	\$ (59)	\$ 400	\$ 2,462	\$ 3,400
6332 · Mahan Property Upkeep	\$ 131	\$ -	\$ 130	\$ 500
6335 · Machinery Repair & Maintenance	\$ 449	\$ 750	\$ 7,783	\$ 5,500
6340 · Vehicle & Machinery Fuel				
6341 · Vehicle Fuel	\$ 870	\$ 750	\$ 5,497	\$ 6,000
6342 · Machinery Fuel	\$ -	\$ -	\$ 823	\$ 2,000
Total 6340 · Vehicle & Machinery Fuel	\$ 870	\$ 750	\$ 6,321	\$ 8,000
6345 · Equipment Lease/Rental	\$ -	\$ -	\$ 210	\$ 500
6350 · Miscellaneous Operational Exp.	\$ 45	\$ 175	\$ 2,607	\$ 1,325
6365 · Small Tools	\$ -	\$ 500	\$ 1,626	\$ 1,000
6550 · Assets Purchased less than \$5K	\$ -	\$ 3,000	\$ 8,318	\$ 16,000
Total 6303 · Other Operational Expenses	\$ 1,701	\$ 6,200	\$ 38,713	\$ 43,725

City of Meadowlakes

Utility Fund Profit Loss

	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - May 13</u>	<u>Budgeted Oct'12 -May 13</u>
Total 6300 · Operating Expenses	\$ 21,733	\$ 19,750	\$ 149,175	\$ 184,050
6400 · POA Contract Mowing Expense				
6420 · POA Equipment R&M	\$ 506	\$ 250	\$ 850	\$ 1,700
6430 - Consumable Supplies	\$ 66	\$ 50	\$ 66	\$ 200
6450 - Fuel POA	\$ 139	\$ 450	\$ 498	\$ 1,900
6460 · Small Tools - POA	\$ -	\$ -	\$ 1,034	\$ 1,000
Total 6400 · POA Contract Mowing Expense	\$ 711	\$ 750	\$ 2,448	\$ 4,800
6500 · Other Expenses-Garbage				
6510 · Garbage Service Expense	\$ 14,419	\$ 14,400	\$ 114,861	\$ 115,200
Total 6500 · Other Expenses-Garbage	\$ 14,419	\$ 14,400	\$ 114,861	\$ 115,200
8200 · Transfer to Other Funds				
8220 · Transfer to Debt Service Fund	\$ 19,250	\$ 15,600	\$ 120,900	\$ 112,600
8230 · Transfer to Construction Fund	\$ -	\$ -	\$ 31,000	\$ 56,000
8240 · Transfer to RCC Fund	\$ 1,000	\$ 1,000	\$ 8,000	\$ 8,000
Total 8200 · Transfer to Other Funds	\$ 20,250	\$ 16,600	\$ 159,900	\$ 176,600
Total Expense	\$ 100,304	\$ 97,025	\$ 725,119	\$ 804,270
Net Gain/(Loss)	\$ (5,175)	\$ (2,863)	\$ 40,039	\$ (61,174)

City of Meadowlakes

Debt Service Fund Profit Loss

	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - May 13</u>	<u>Budgeted Oct'12 -May 13</u>
<u>Income</u>				
<i>Debt Service Rev. (Transfers)</i>				
9001 · Transfer in from Utility	\$ 15,688	\$ 12,550	\$ 106,675	\$ 100,400
9002 · Transfer in from Tax	\$ 2,808	\$ 2,500	\$ 284,809	\$ 282,000
9003 · I&S Transfer In from Utility	\$ 3,563	\$ 3,050	\$ 14,225	\$ 12,200
Total 9000 · Debt Service Rev. (Transfers)	\$ 22,058	\$ 18,100	\$ 405,709	\$ 394,600
<u>Expenses</u>				
<i>Debt Service Expenses</i>				
9100 · Debt Service Expenses				
9120 · 2008 Certificate of Obligations				
9125 · 2008 CO's- Interest	\$ -	\$ -	\$ 84,960	\$ 84,960
9127 · 2008 CO's-Principal	\$ -	\$ -	\$ -	\$ -
Total 9120 · 2008 Certificate of Obligations	\$ -	\$ -	\$ 84,960	\$ 84,960
9130 · 2008 General Obligations Bonds				
9037 · 2008-GO's-Principal	\$ -	\$ -	\$ -	\$ -
9135 · 2008-GO's-Interest	\$ -	\$ -	\$ 4,463	\$ 4,463
Total 9130 · 2008 General Obligations Bonds	\$ -	\$ -	\$ 4,463	\$ 4,463
Total 9100 · Debt Service Expenses	\$ -	\$ -	\$ 89,423	\$ 89,423
Net Fund Gain/(Loss)	\$ 22,058	\$ 18,100	\$ 316,286	\$ 305,177

City of Meadowlakes

Construction Fund Profit Loss

	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - May 13</u>	<u>Budgeted Oct'12 -May 13</u>
<u>Income</u>				
<i>Transfer in from Utility Fund</i>	\$ -	\$ -	\$ 31,000	\$ 56,000
<i>Total Income</i>	\$ -	\$ -	\$ 31,000	\$ 56,000
<u>Expenses</u>				
<i>Tankage</i>	\$ -	\$ -	\$ -	\$ 352,000
<i>Engineering</i>	\$ 7,608	\$ -	\$ 24,268	\$ 34,000
<i>Foundation</i>	\$ 560		\$ 16,960	\$ 23,000
<i>Electrical and Controls</i>	\$ -	\$ -	\$ -	\$ -
<i>Yard Piping</i>	\$ -		\$ 2,531	\$ 13,500
<i>Contingencies</i>	\$ -		\$ 345	\$ 19,500
<i>Inspection/Testing</i>	\$ -	\$ -	\$ -	\$ 4,000
<i>Total Construction Expenses</i>	\$ 8,167	\$ -	\$ 44,104	\$ 446,000
 <i>Net Operating Fund Gain/(Loss)</i>	 \$ (8,167)	 \$ -	 \$ (13,104)	 \$ (390,000)
 <i>Non-Operating Income-Lease-POA</i>	 \$ -	 \$ 300,000	 \$ 300,000	 \$ 300,000
 <i>Net Fund Gain/(Loss)</i>	 \$ (8,167)	 \$ 300,000	 \$ 286,896	 \$ (90,000)

City of Meadowlakes

General Fund Profit Loss

	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - Feb 13</u>	<u>Budgeted Oct'12 -May 13</u>
<u>Income</u>				
05-4100 · Taxes				
05-4120 · Ad Valorem Tax	\$ 1,254	\$ 4,000	\$ 315,809	\$ 317,000
05-4140 · PEC Franchise Tax	\$ 1,574	\$ -	\$ 27,566	\$ 30,000
05-4160-Cable Franchise	\$ -	\$ -	\$ 7,938	\$ 8,500
05-4170 · Telephone Franchise Tax	\$ -	\$ 1,750	\$ 4,888	\$ 5,250
05-4180 · Liquor Tax	\$ -	\$ -	\$ 870	\$ 900
Total 05-4100 · Taxes	\$ 2,828	\$ 5,750	\$ 357,070	\$ 361,650
05-4200 · City Bldg. Permits				
05-4220 · Home Permits	\$ -	\$ 250	\$ 1,100	\$ 500
05-4240 · Remodeling Permits	\$ 125	\$ -	\$ 650	\$ 425
05-4260 · Fence & Decks Permits	\$ 150	\$ 100	\$ 800	\$ 800
05-4280 · Pool Permits	\$ 135	\$ -	\$ 530	
05-4285 · Replats	\$ 100	\$ 25	\$ 300	\$ 75
Total 05-4200 · City Bldg. Permits	\$ 510	\$ 375	\$ 3,380	\$ 1,800
05-4300 · Judicial				
05-4320 · Court Costs	\$ -	\$ -	\$ 72	\$ 2,050
05-4340 · Court Fines	\$ -	\$ 400	\$ 2,436	\$ 75
05-4380 · Administrative Fee	\$ -	\$ 25	\$ 50	\$ -
Total 05-4300 · Judicial	\$ -	\$ 425	\$ 2,558	\$ 2,125
05-4400 · Interest Earned				
05-4440 · Money Market	\$ -	\$ 100	\$ 516	\$ 650
05-4460 · Interest - Investments	\$ -		\$ 15	
Total 05-4400 · Interest Earned	\$ -	\$ 100	\$ 531	\$ 650
05-4600 · Other				
05-4620 · Pet Registration Fee	\$ 135	\$ 150	\$ 1,050	\$ 1,250
05-4671 · Miscellaneous	\$ -	\$ -	\$ 8	\$ 50
05-4680 · City Directory	\$ 90		\$ 817	
Total 05-4600 · Other	\$ 225	\$ 150	\$ 1,875	\$ 1,300
Total Income	\$ 3,563	\$ 6,800	\$ 365,413	\$ 367,525

City of Meadowlakes

General Fund Profit Loss

<u>Expense</u>	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - Feb 13</u>	<u>Budgeted Oct'12 -May 13</u>
<i>Total 05-5000 · BCAD</i>	\$ 75	\$ 50	\$ 5,695	\$ 6,800
<i>Total 05-5100 · City Building Committee</i>	\$ -	\$ -	\$ 161	\$ 400
<i>Total 05-5200 · Ordinance Enf/Public Safety</i>	\$ 1,069	\$ 1,050	\$ 6,424	\$ 8,025
<i>Total 05-5300 · Animal Control</i>	\$ 700	\$ 659	\$ 5,725	\$ 5,742
<i>Total 05-5500 · Flood Plain Administrator</i>	\$ -	\$ 750	\$ 590	\$ 1,100
<i>Total 05-5600 · Traffic Control</i>	\$ 1,989	\$ 2,150	\$ 16,428	\$ 18,450
<i>Total 05-5700 · Municipal Court</i>	\$ 507	\$ 300	\$ 2,307	\$ 3,150
<i>Total 05-6300 · Administrative Expenditures</i>	\$ 20,058	\$ 21,642	\$ 130,617	\$ 149,585
<i>Total 05-6600 · Contract Services</i>	\$ 5,292	\$ 5,292	\$ 42,333	\$ 42,332
<i>Total 05-6700 · Capital Outlay</i>	\$ 613	\$ -	\$ 29,577	\$ 34,575
<i>Total Operating Expenses</i>	\$ 30,303	\$ 31,893	\$ 239,857	\$ 270,159
 <i>Total 05-8500 · Transfers Out</i>	 \$ -	 \$ -	 \$ 30,496	 \$ 30,000
 <i>Total Fund Expenses</i>	 \$ 30,303	 \$ 31,893	 \$ 270,353	 \$ 300,159
 <i>Net Gain/(Loss)</i>	 \$ (26,740)	 \$ (25,093)	 \$ 95,061	 \$ 67,366

City of Meadowlakes

General Fund Profit Loss

<u>Expense</u>	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - Feb 13</u>	<u>Budgeted Oct'12 -May 13</u>
05-5000 · BCAD				
05-5020 · Quarterly Expense	\$ -	\$ -	\$ 5,180	\$ 6,000
05-5040 · Collection Expense	\$ 75	\$ 50	\$ 515	\$ 800
Total 05-5000 · BCAD	\$ 75	\$ 50	\$ 5,695	\$ 6,800
05-5100 · City Building Committee				
05-5120 · Deposits-Clean-up	\$ -	\$ -	\$ -	
05-5140 · Bldg. Inspections	\$ -	\$ -	\$ -	
05-5160 · Membership	\$ -	\$ -	\$ 125	\$ 200
05-5180 · Supplies	\$ -	\$ -	\$ 36	\$ 200
Total 05-5100 · City Building Committee	\$ -	\$ -	\$ 161	\$ 400
05-5200 · Ordinance Enf/Public Safety				
05-5225 · Ordinance Employee	\$ 807	\$ 800	\$ 4,626	\$ 5,325
05-5226 · Ordinance FICA/Med	\$ 62	\$ 50	\$ 354	\$ 400
05-5228 · Insurance - Worker's Comp	\$ -	\$ -	\$ 22	\$ 100
05-5230 · Communications	\$ 16	\$ -	\$ 100	
05-5274 · Mileage	\$ 184	\$ 200	\$ 1,267	\$ 1,600
05-5277 · Insurance - Auto Liability	\$ -	\$ -	\$ -	\$ 200
05-5280 · Supplies/Miscellaneous	\$ -	\$ -	\$ 56	\$ 400
Total 05-5200 · Ordinance Enf/Public Safety	\$ 1,069	\$ 1,050	\$ 6,424	\$ 8,025
05-5300 · Animal Control				
05-5320 · Contract Agreement	\$ 633	\$ 634	\$ 5,067	\$ 5,067
05-5340 · Ins-Worker's Comp	\$ -	\$ -	\$ 185	\$ 100
05-5360 · Pet Holding Fee/Rabies	\$ 47	\$ -	\$ 206	\$ 300
05-5380 · Supplies/Miscellaneous	\$ 20	\$ 25	\$ 268	\$ 275
Total 05-5300 · Animal Control	\$ 700	\$ 659	\$ 5,725	\$ 5,742
05-5500 · Flood Plain Administrator				
05-5510 · Meetings & Training		\$ 500	\$ -	\$ 600
05-5520 · Membership	\$ -	\$ 250	\$ 590	\$ 500
Total 05-5500 · Flood Plain Administrator	\$ -	\$ 750	\$ 590	\$ 1,100
05-5600 · Traffic Control				
05-5610 · Salary & Wages	\$ 1,848	\$ 2,000	\$ 13,966	\$ 15,750
05-5615 · FICA/Med	\$ 141	\$ 150	\$ 1,068	\$ 1,250
05-5620 · Ins-Worker's Comp	\$ -		\$ 262	\$ 300
05-5630 · Ins-Law Enf Liability	\$ -		\$ 1,131	\$ 1,000
05-5650 · Misc. Traffic Control Exp.	\$ -	\$ -	\$ -	\$ 150
Total 05-5600 · Traffic Control	\$ 1,989	\$ 2,150	\$ 16,428	\$ 18,450

City of Meadowlakes

General Fund Profit Loss

	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - Feb 13</u>	<u>Budgeted Oct'12 -May 13</u>
05-5700 · Municipal Court				
05-5705 · Education	\$ 307	\$ -	\$ 413	\$ 500
05-5720 · Prosecuting Attorney	\$ -	\$ -	\$ -	\$ 500
05-5725 · Bailiff Services	\$ -	\$ 50	\$ -	\$ 150
05-5727 · Office Lease - Judge	\$ 200	\$ 200	\$ 1,600	\$ 1,600
05-5730 · Administrative Expense	\$ -	\$ 50	\$ 294	\$ 400
Total 05-5700 · Municipal Court	\$ 507	\$ 300	\$ 2,307	\$ 3,150
 05-5900 · Administration-General Fund				
05-6000 · Employee Expenditures				
05-6010 · Salary - Exempt	\$ 10,819	\$ 10,607	\$ 60,671	\$ 63,640
05-6015 · Salary - Non-exempt Employees	\$ 5,299	\$ 6,000	\$ 31,865	\$ 34,825
05-6025 · FICA/Medicare	\$ 1,233	\$ 1,300	\$ 7,583	\$ 7,600
05-6027 · Longevity Pay	\$ -	\$ -	\$ 2,450	\$ 2,500
05-6030 · Reserve - Payroll	\$ -	\$ 350	\$ -	\$ 1,550
05-6040 · Retirement	\$ 174	\$ 150	\$ 889	\$ 1,350
05-6045 · Health Insurance	\$ 974	\$ 1,000	\$ 6,817	\$ 8,000
05-6046 · Disability	\$ 97	\$ 100	\$ 677	\$ 800
05-6047 · Other Benefits	\$ -	\$ -	\$ 169	\$ -
05-6052 · Payroll Expense	\$ 21	\$ 75	\$ 144	\$ 600
05-6071 · Training & Travel	\$ -	\$ 250	\$ 116	\$ 500
05-6072 · Dues and Memberships	\$ -		\$ 282	\$ 500
05-6074 · Mileage Allowance	\$ -	\$ 125	\$ -	\$ 250
Total 05-6000 · Employee Expenditures	\$ 18,616	\$ 19,957	\$ 111,662	\$ 122,115
 05-6200 · Insurance				
05-6050 · Insurance - Worker's Comp	\$ -	\$ -	\$ 406	\$ 750
05-6210 · Liability	\$ -	\$ -	\$ 740	\$ 1,500
05-6220 · Crime	\$ -	\$ -	\$ 165	\$ 500
05-6230 · Errors & Omissions	\$ -	\$ -	\$ 1,164	\$ 1,000
05-6240 · Ins - Workers' Comp	\$ -	\$ -	\$ -	\$ -
Total 05-6200 · Insurance	\$ -	\$ -	\$ 2,475	\$ 3,750
 05-6300 · Administrative Expenditures				
05-5800 · Legal				
05-5810 · City Attorney-General	\$ 195	\$ 400	\$ 1,031	\$ 3,400
Total 05-5800 · Legal	\$ 195	\$ 400	\$ 1,031	\$ 3,400
05-6070 · Unemployment Reserve Exp		\$ -	\$ 1,000	\$ 1,000
05-6305 · Audit	\$ -	\$ -	\$ 3,460	\$ 3,500
05-6320 · Office Supplies	\$ 140	\$ 100	\$ 1,263	\$ 2,950
05-6321 · Gifts, Flowers etc.	\$ 100	\$ -	\$ 100	\$ 200

City of Meadowlakes

General Fund Profit Loss

	May 13	Budgeted May 13	Oct '12 - Feb 13	Budgeted Oct'12 -May 13
05-6322 · Neighborhood Watch	\$ -	\$ -	\$ 319	\$ 250
05-6325 · Lease-Copier	\$ 246	\$ 150	\$ 1,389	\$ 1,200
05-6326 · Office Equipment Repair & Maint	\$ -	\$ -	\$ -	\$ 300
05-6330 · Postage	\$ 122	\$ 100	\$ 691	\$ 300
05-6340 · Memberships-Various	\$ -	\$ -	\$ 547	\$ 600
05-6350 · Telephone	\$ -	\$ 60	\$ 433	\$ 470
05-6355 · Miscellaneous	\$ 50	\$ 50	\$ 1,106	\$ 500
05-6365 · Website Hosting & Upgrade	\$ -	\$ -	\$ 336	\$ 2,000
Total 05-6300 · Administrative Expenditures	\$ 852	\$ 860	\$ 11,675	\$ 16,670
 05-6400 · Municipal Building				
05-6360 · Office Maintenance-Cleaning	\$ 260	\$ 300	\$ 1,820	\$ 2,300
05-6410 · Maintenance & Repair	\$ 160	\$ 300	\$ 661	\$ 1,700
05-6420 · Electric Service	\$ 169	\$ 225	\$ 1,399	\$ 2,050
05-6430 · Ins-Real Estate & Pers Prop			\$ 925	\$ 1,000
Total 05-6400 · Municipal Building	\$ 589	\$ 825	\$ 4,805	\$ 7,050
 Total 05-5900 · Administration-General Fund	\$ 20,058	\$ 21,642	\$ 130,617	\$ 149,585
05-6600 · Contract Services				
05-6610 · Marble Falls EMS	\$ 2,792	\$ 2,792	\$ 22,333	\$ 22,332
05-6620 · Marble Falls Fire	\$ 2,500	\$ 2,500	\$ 20,000	\$ 20,000
Total 05-6600 · Contract Services	\$ 5,292	\$ 5,292	\$ 42,333	\$ 42,332
 05-6700 · Capital Outlay				
05-6727 · Capital Purchases less than \$5K	\$ 613	\$ -	\$ 2,232	\$ 4,575
05-6740 · Land Aquisition	\$ -		\$ 27,345	\$ 30,000
Total 05-6700 · Capital Outlay	\$ 613	\$ -	\$ 29,577	\$ 34,575
 Total Expense Oprtating Expenses	\$ 30,303	\$ 31,893	\$ 239,857	\$ 270,159
 05-8500 · Transfers Out				
05-8501 · Transfer to PWD Fund	\$ -	\$ -	\$ 25,496	\$ 25,000
05-8502 · Transfer to RCC Fund	\$ -	\$ -	\$ 5,000	\$ 5,000
Total 05-8500 · Transfers Out	\$ -	\$ -	\$ 30,496	\$ 30,000
 Total Expenses	\$ 30,303	\$ 31,893	\$ 270,353	\$ 300,159
 Net Gain/(Loss)	\$ (26,740)	\$ (25,093)	\$ 95,061	\$ 67,366

City of Meadowlakes

Recreation Country Club Division Profit Loss

	<u>May 13</u>	<u>Budgeted May 13</u>	<u>Oct '12 - May 13</u>	<u>Budgeted Oct'12 -May 13</u>
Income				
03-5000 · Revenue				
03-5092 · Lease Income	\$ 1,000	\$ 1,000	\$ 8,000	\$ 6,000
03-5096 · Miscellaneous Income	\$ -	\$ -	\$ -	\$ 15
Total 03-5000 · Revenue	\$ 1,000	\$ 1,000	\$ 8,000	\$ 6,015
 Total Income	 \$ 1,000	 \$ 1,000	 \$ 8,000	 \$ 6,015
 Expense				
03-6077 · Miscellaneous Admin Exp	\$ -	\$ -	\$ -	
03-6800 · RCC Expenses				
03-6803 · Maint., Repairs & Renovations	\$ -	\$ 500	\$ -	\$ 2,500
03-6805 · Capital Purchases less than \$5K	\$ -	\$ 2,000	\$ -	\$ 4,000
Total 03-6800 · RCC Expenses	\$ -	\$ 2,500	\$ -	\$ 6,500
03-6801 · Miscellaneous Expenses	\$ 269	\$ 25	\$ 448	\$ 125
 Total Expense	 \$ 269	 \$ 2,525	 \$ 448	 \$ 6,625
 Net Ordinary Income	 \$ 731	 \$ (1,525)	 \$ 7,553	 \$ (610)
 Other Income/Expense				
 Other Income				
03-8010 · Transfer In from other Funds				
03-8015 · Transfer in from General Fund	\$ -	\$ -	\$ 5,000	\$ 5,000
03-8020 · Transfer in from Utility Fund	\$ 1,000	\$ 1,000	\$ 8,000	\$ 6,000
Total 03-8010 · Transfer In from other Funds	\$ 1,000	\$ 1,000	\$ 13,000	\$ 11,000
 Total Other Income	 \$ 1,000	 \$ 1,000	 \$ 13,000	 \$ 11,000
 Net Other Income	 \$ 1,000	 \$ 1,000	 \$ 13,000	 \$ 11,000
 Net Gain/(Loss)	 \$ 1,731	 \$ (525)	 \$ 20,553	 \$ 10,390

City of Meadowlakes - Utility (Public Works) Fund

Operating Cash Flow Analysis

	Oct-12	Nov-12	Dec-12	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12
Beginning Cash Balance	\$ 448,348	\$ 459,927	\$ 456,651	\$ 448,949	\$ 497,140	\$ 469,268	\$ 480,372	\$ 501,410	\$ 495,726	\$ 495,726	\$ 495,726	\$ 495,726
Cash Inflows (Income)												
Account Receivables	\$ 119,939	\$ 91,702	\$ 67,185	\$ 111,523	\$ 65,539	\$ 78,633	\$ 92,751	\$ 91,077				
Loan Proceeds	\$ -	\$ 2,000	\$ 1,000	\$ -	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,000				
Contract Services	\$ 6,667	\$ 6,667	\$ 6,666	\$ 6,666	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667				
Customer Deposits Etc.	\$ 200	\$ 700	\$ -	\$ 800	\$ 1,000	\$ 500	\$ 1,400	\$ 700				
Non-operating revenue-transfers in	\$ -	\$ -	\$ -	\$ 10,000	\$ 15,000	\$ -	\$ -	\$ -				
Miscellaneous	\$ 1,753	\$ 3,046	\$ 1,239	\$ 1,796	\$ 1,732	\$ 150	\$ 606	\$ 1,675				
Total Cash Inflows	\$ 128,559	\$ 104,115	\$ 76,090	\$ 130,785	\$ 90,937	\$ 87,950	\$ 102,424	\$ 101,119	\$ -	\$ -	\$ -	\$ -
Available Cash Balance	\$ 576,907	\$ 564,042	\$ 532,741	\$ 579,734	\$ 588,077	\$ 557,217	\$ 582,796	\$ 602,529	\$ 495,726	\$ 495,726	\$ 495,726	\$ 495,726
Normal Cash Outflows (Operating Expenses)												
Prior Months Payables/Misc.	\$ 12,551	\$ 3,846	\$ 737	\$ 1,747	\$ 7,243	\$ 7,664	\$ 3,297	\$ 3,044				
Employee Expenses	\$ 35,942	\$ 46,483	\$ 29,146	\$ 29,436	\$ 25,069	\$ 24,422	\$ 29,504	\$ 41,870				
Administrative Expenses	\$ 17,836	\$ 5,919	\$ 851	\$ 3,016	\$ 3,667	\$ 108	\$ 2,474	\$ 1,861				
Operating Expenses	\$ 20,689	\$ 22,411	\$ 22,865	\$ 18,629	\$ 26,862	\$ 12,633	\$ 11,394	\$ 25,017				
Mowing Contract Expenses	\$ 179	\$ 898	\$ 359	\$ -	\$ -	\$ -	\$ 14	\$ 342				
Solid Waste Collection Expense	\$ 14,233	\$ 14,284	\$ 14,284	\$ 14,216	\$ 14,368	\$ 14,419	\$ 14,453	\$ 14,419				
Total Operating Cash flow Out	\$ 101,430	\$ 93,841	\$ 68,242	\$ 67,044	\$ 77,210	\$ 59,245	\$ 61,136	\$ 86,553	\$ -	\$ -	\$ -	\$ -
Other Cash Outflows:												
Transfer to Debt Service	\$ 13,550	\$ 12,550	\$ 12,550	\$ 12,550	\$ 15,600	\$ 15,600	\$ 19,250	\$ 19,250				
Transfer to Construction	\$ 1,000		\$ 2,000	\$ 3,000	\$ 25,000	\$ -						
Transfer to RCC Fund	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,000				
Total Transfer Out	\$ 15,550	\$ 13,550	\$ 15,550	\$ 15,550	\$ 41,600	\$ 17,600	\$ 20,250	\$ 20,250	\$ -	\$ -	\$ -	\$ -
Total Cash Outflows	\$ 116,980	\$ 107,391	\$ 83,792	\$ 82,594	\$ 118,810	\$ 76,845	\$ 81,386	\$ 106,803	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 459,927	\$ 456,651	\$ 448,949	\$ 497,140	\$ 469,268	\$ 480,372	\$ 501,410	\$ 495,726	\$ 495,726	\$ 495,726	\$ 495,726	\$ 495,726
Difference Beginning to End Cash	\$ 11,579	\$ (3,276)	\$ (7,702)	\$ 48,191	\$ (27,872)	\$ 11,104	\$ 21,038	\$ (5,684)	\$ -	\$ -	\$ -	\$ -
Total Cash Increase/(Decrease) since beginning of Fiscal Year	\$ 47,377											

(Please note that monthly cash beginning balance may different slightly from previous months reports due to interest earned not being posted)

City of Meadowlakes - Debt Service and Interest & Sinking Fund

Cash Flow Analysis

	Oct-12	Nov-12	Dec-12	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12
Beginning Cash Balance	\$ 11,423	\$ 25,472	\$ 63,217	\$ 207,050	\$ 304,214	\$ 262,810	\$ 282,835	\$ 306,011	\$ 328,070	\$ 328,070	\$ 328,070	\$ 328,070
Cash Inflows (Income)												
Property Tax Income	\$ 496	\$ 25,207	\$ 131,253	\$ 84,540	\$ 32,344	\$ 4,320	\$ 3,842	\$ 2,808				
Transfer if from Utility Fund	\$ 13,550	\$ 12,550	\$ 12,550	\$ 12,550	\$ 15,600	\$ 15,600	\$ 19,250	\$ 19,250				
Interest Earned on Investment	\$ 3		\$ 30	\$ 75	\$ 75	\$ 105	\$ 84	\$ -				
Total Cash Flow In	\$ 14,049	\$ 37,757	\$ 143,833	\$ 97,165	\$ 48,019	\$ 20,025	\$ 23,176	\$ 22,058	\$ -	\$ -	\$ -	\$ -
Available Cash Balance	\$ 25,472	\$ 63,229	\$ 207,050	\$ 304,214	\$ 352,233	\$ 282,835	\$ 306,011	\$ 328,070	\$ 328,070	\$ 328,070	\$ 328,070	\$ 328,070
Cash Outflow (Expenses)												
2013 Lease/Purchase-Tank												
Interest 2013 Lease/Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal 2013 Lease/Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total 2013 Lease/Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Certificate of Obligations Bonds												
Interest 2008 CO Bonds	\$ -				\$ 84,960							
Principal 2008 CO Bonds	\$ -											
Total 2008 CO Bonds	\$ -	\$ -	\$ -	\$ -	\$ 84,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 General Obligations Bonds												
Interest 2008 GO Bonds	\$ -	\$ -	\$ -	\$ -	\$ 4,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal 2008 GO Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total 2008 GO Bonds	\$ -	\$ -	\$ -	\$ -	\$ 4,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expenses	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow Out	\$ -	\$ 12	\$ -	\$ -	\$ 89,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 25,472	\$ 63,217	\$ 207,050	\$ 304,214	\$ 262,810	\$ 282,835	\$ 306,011	\$ 328,070	\$ 328,070	\$ 328,070	\$ 328,070	\$ 328,070
Difference Beginning to End Cash	\$ 14,049	\$ 37,745	\$ 143,833	\$ 97,165	\$ (41,404)	\$ 20,025	\$ 23,176	\$ 22,058	\$ -	\$ -	\$ -	\$ -
Total Cash Increase/(Decrease) since beginning of Fiscal Year					\$ 316,646							

(Please note that monthly cash beginning balance may different slightly from previous months reports due to interest earned not being posted)

City of Meadowlakes - General Fund

Cash Flow Analysis

	<i>Oct-12</i>	<i>Nov-12</i>	<i>Dec-12</i>	<i>Jan-12</i>	<i>Feb-12</i>	<i>Mar-12</i>	<i>Apr-12</i>	<i>May-12</i>	<i>Jun-12</i>	<i>Jul-12</i>	<i>Aug-12</i>	<i>Sep-12</i>
Beginning Cash Balance	\$ 309,395	\$ 296,146	\$ 269,385	\$ 390,320	\$ 448,457	\$ 455,865	\$ 435,611	\$ 428,930	\$ 410,341	\$ 410,341	\$ 410,341	\$ 410,341
Cash Inflows (Income)												
Ad Valorem Tax	\$ 1,198	\$ 28,121	\$ 146,053	\$ 93,861	\$ 36,097	\$ 4,922	\$ 4,303	\$ 1,254				
Franchise Tax	\$ 11,338	\$ 1,678	\$ 3	\$ 7,530	\$ 9,552	\$ -	\$ 9,331	\$ 1,574				
Misc.	\$ 847	\$ 2,104	\$ 1,751	\$ 733	\$ 7,964	\$ 423	\$ 7,978	\$ 735				
Total Cash In	\$ 13,383	\$ 31,903	\$ 147,807	\$ 102,125	\$ 53,612	\$ 5,345	\$ 21,612	\$ 3,563	\$ -	\$ -	\$ -	\$ -
 Total Available Cash	 \$ 322,778	 \$ 328,049	 \$ 417,192	 \$ 492,444	 \$ 502,069	 \$ 461,210	 \$ 457,223	 \$ 432,492	 \$ 410,341	 \$ 410,341	 \$ 410,341	 \$ 410,341
Cash Outflow (Expenses)												
Misc./prior payables	\$ (2,790)	\$ 212	\$ 505	\$ 2,109	\$ 8,393	\$ 2,367	\$ 4,220	\$ (5,170)				
Tax Collection/Appraisal	\$ 29	\$ 42	\$ 3,002	\$ 13	\$ 141	\$ 2,394	\$ -	\$ 75				
Building Committee	\$ 125	\$ -	\$ -	\$ 36	\$ -	\$ -	\$ -	\$ -				
Ordinance Enforcement	\$ 595	\$ 1,002	\$ 712	\$ 688	\$ 786	\$ 799	\$ 774	\$ 789				
Animal Control	\$ 840	\$ 700	\$ 652	\$ 650	\$ 717	\$ 47	\$ 786	\$ 700				
Traffic Control	\$ 3,041	\$ 1,745	\$ 2,286	\$ 1,748	\$ 1,906	\$ -	\$ 1,385	\$ 1,989				
Court Expense	\$ 345	\$ 240	\$ 200	\$ 206	\$ 200	\$ 262	\$ 347	\$ 507				
Employee Expenses	\$ 12,773	\$ 21,088	\$ 12,603	\$ 12,958	\$ 12,336	\$ 13,358	\$ 12,976	\$ 18,616				
Administrative Expense	\$ 5,886	\$ 1,795	\$ 1,621	\$ 5,288	\$ 1,434	\$ 1,080	\$ 2,514	\$ 2,054				
Emergency Services	\$ 5,292	\$ 5,292	\$ 5,292	\$ 5,292	\$ 5,292	\$ 5,292	\$ 5,292	\$ 2,592				
Transfers Out	\$ 496	\$ 26,549	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -				
Total Cash Outflows	\$ 26,632	\$ 58,664	\$ 26,872	\$ 43,988	\$ 46,204	\$ 25,599	\$ 28,293	\$ 22,152	\$ -	\$ -	\$ -	\$ -
 Ending Cash Balance	 \$ 296,146	 \$ 269,385	 \$ 390,320	 \$ 448,457	 \$ 455,865	 \$ 435,611	 \$ 428,930	 \$ 410,341	 \$ 410,341	 \$ 410,341	 \$ 410,341	 \$ 410,341
 Difference Beginning to End Cash	 \$ (13,249)	 \$ (26,761)	 \$ 120,935	 \$ 58,137	 \$ 7,408	 \$ (20,253)	 \$ (6,682)	 \$ (18,589)	 \$ -	 \$ -	 \$ -	 \$ -

Total Cash Increase/(Decrease) since beginning of Fiscal Year **\$ 100,946**

(Please note that monthly cash beginning balance may different slightly from previous months reports due to interest earned not being posted)

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Check	EFT	05/03/2013	State Comptroller	1030 - American Bk - Operating MM		-1,028.14
				3020 - Sales Tax Payable	-1,028.14	1,028.14
TOTAL					-1,028.14	1,028.14
Check	112	05/01/2013	Southwest Engineers	1110 - 2013-Construction		-7,607.50
				9210 - Engineering	-7,607.50	7,607.50
TOTAL					-7,607.50	7,607.50
Check	113	05/01/2013	City of Meadowlakes	1110 - 2013-Construction		-311.57
				9220 - Foundation	-311.57	311.57
TOTAL					-311.57	311.57
Check	115	05/09/2013	Granite Trucking, Inc.	1110 - 2013-Construction		-248.14
				9220 - Foundation	-248.14	248.14
TOTAL					-248.14	248.14
Bill Pmt -C 13584		05/02/2013	Aqua-Tech Laboratories, Inc.	1020 - American Bk Operating Checking		-198.00
Bill	2941	04/25/2013		6320 - Water Outside Testing Expense	-107.00	107.00
				6318 - Outside Testing Wastewater	-91.00	91.00
TOTAL					-198.00	198.00
Bill Pmt -C 13585		05/02/2013	DPC Industries, Inc	1020 - American Bk Operating Checking		-202.88
Bill	767001878-13	04/17/2013		6316 - WTP Chemical Expense	-202.88	202.88
TOTAL					-202.88	202.88
Bill Pmt -C 13586		05/02/2013	Fastenal	1020 - American Bk Operating Checking		-461.78
Bill	TX00170047	04/19/2013		6350 - Miscellaneous Operational Exp.	-461.78	461.78
TOTAL					-461.78	461.78
Bill Pmt -C 13587		05/02/2013	Fisher's Iron & Metal Ind.	1020 - American Bk Operating Checking		-45.09
Bill	18468	04/29/2013		6327 - WWTP Repair & Maintenance	-45.09	45.09
TOTAL					-45.09	45.09

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -C 13588		05/02/2013	Ford & Crew Home & Hardware	1020 - American Bk Operating Checking		-331.46
<i>Bill</i>	<i>April 2013 Stmt</i>	<i>04/25/2013</i>		<i>6329 - R&M-Building/Misc.</i>	<i>-135.87</i>	<i>135.87</i>
				<i>6335 - Machinery Repair & Maintenance</i>	<i>-41.77</i>	<i>41.77</i>
				<i>1584 - POA Receivables</i>	<i>-4.19</i>	<i>4.19</i>
				<i>6314 - R&M-Plant & Pump Station</i>	<i>-93.65</i>	<i>93.65</i>
				<i>6365 - Small Tools</i>	<i>-15.99</i>	<i>15.99</i>
				<i>6330 - Vehicle Repair & Maintenance</i>	<i>-23.40</i>	<i>23.40</i>
				<i>6328 - Distribution Repair & Maint.</i>	<i>-16.59</i>	<i>16.59</i>
TOTAL					-331.46	331.46
Bill Pmt -C 13589		05/02/2013	General Chemical LLC	1020 - American Bk Operating Checking		-2,844.66
<i>Bill</i>	<i>90558607</i>	<i>04/25/2013</i>		<i>6316 - WTP Chemical Expense</i>	<i>-2,844.66</i>	<i>2,844.66</i>
TOTAL					-2,844.66	2,844.66
Bill Pmt -C 13590		05/02/2013	Grainger	1020 - American Bk Operating Checking		-29.26
<i>Bill</i>	<i>9123415425</i>	<i>04/23/2013</i>		<i>6335 - Machinery Repair & Maintenance</i>	<i>-29.26</i>	<i>29.26</i>
TOTAL					-29.26	29.26
Bill Pmt -C 13591		05/02/2013	Gulf Coast Limestone	1020 - American Bk Operating Checking		-683.80
<i>Bill</i>	<i>574545</i>	<i>04/17/2013</i>		<i>63291 - Drainage Repair & Maintenance</i>	<i>-683.80</i>	<i>683.80</i>
TOTAL					-683.80	683.80
Bill Pmt -C 13592		05/02/2013	Lanford Equipment Co. Inc.	1020 - American Bk Operating Checking		-523.30
<i>Bill</i>	<i>MI32850</i>	<i>04/25/2013</i>		<i>6335 - Machinery Repair & Maintenance</i>	<i>-523.30</i>	<i>523.30</i>
TOTAL					-523.30	523.30
Bill Pmt -C 13593		05/02/2013	Marble Falls High School Band	1020 - American Bk Operating Checking		-200.00
<i>Bill</i>	<i>Trailer</i>	<i>04/30/2013</i>		<i>6550 - Assets Purchased less than \$5K</i>	<i>-200.00</i>	<i>200.00</i>
TOTAL					-200.00	200.00
Bill Pmt -C 13594		05/02/2013	PEC	1020 - American Bk Operating Checking		-4,703.74
<i>Bill</i>	<i>April 2013 Stmt</i>	<i>04/22/2013</i>		<i>6305 - Water Treatment Electrical</i>	<i>-2,451.90</i>	<i>2,451.90</i>
				<i>6304 - Wastewater Electrical</i>	<i>-2,251.84</i>	<i>2,251.84</i>
TOTAL					-4,703.74	4,703.74

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -C 13595		05/02/2013	Quill	1020 - American Bk Operating Checking		-129.76
<i>Bill</i>	<i>2045615</i>	<i>04/18/2013</i>		<i>6250 - Office Supplies</i>	<i>-120.77</i>	<i>120.77</i>
<i>Bill</i>	<i>2110764</i>	<i>04/22/2013</i>		<i>6250 - Office Supplies</i>	<i>-8.99</i>	<i>8.99</i>
TOTAL					-129.76	129.76
Bill Pmt -C 13596		05/02/2013	RCC Fund	1020 - American Bk Operating Checking		-625.00
<i>Bill</i>	<i>May 13 Subsidy</i>	<i>05/01/2013</i>		<i>6324 - Irrigation Electric Subsidy</i>	<i>-625.00</i>	<i>625.00</i>
TOTAL					-625.00	625.00
Bill Pmt -C 13597		05/02/2013	Visa	1020 - American Bk Operating Checking		-2,398.79
<i>Bill</i>	<i>April 2013 Stmt</i>	<i>04/24/2013</i>		<i>6329 - R&M-Building/Misc.</i>	<i>-405.77</i>	<i>405.77</i>
				<i>1584 - POA Receivables</i>	<i>-502.07</i>	<i>502.07</i>
				<i>6321 - Collection System R&M</i>	<i>-17.99</i>	<i>17.99</i>
				<i>6330 - Vehicle Repair & Maintenance</i>	<i>-10.00</i>	<i>10.00</i>
				<i>1515 - General Fund Receivables</i>	<i>-160.27</i>	<i>160.27</i>
<i>Bill</i>	<i>Williams - 4082</i>	<i>04/30/2013</i>		<i>6235 - Computer/Office Equip R&M</i>	<i>-523.08</i>	<i>523.08</i>
				<i>1515 - General Fund Receivables</i>	<i>-612.50</i>	<i>612.50</i>
				<i>1584 - POA Receivables</i>	<i>-75.30</i>	<i>75.30</i>
				<i>6282 - Administrative-Miscellaneous</i>	<i>-17.20</i>	<i>17.20</i>
				<i>6350 - Miscellaneous Operational Exp.</i>	<i>-47.64</i>	<i>47.64</i>
				<i>6180 - Employee Training & Travel Exp</i>	<i>-26.97</i>	<i>26.97</i>
TOTAL					-2,398.79	2,398.79
Bill Pmt -C 13598		05/16/2013	Allied Waste Services #843	1020 - American Bk Operating Checking		-14,419.01
<i>Bill</i>	<i>April 2013 Stmt</i>	<i>04/30/2013</i>		<i>6510 - Garbage Service Expense</i>	<i>-53.93</i>	<i>53.93</i>
				<i>6510 - Garbage Service Expense</i>	<i>-14,365.08</i>	<i>14,365.08</i>
TOTAL					-14,419.01	14,419.01
Bill Pmt -C 13599		05/16/2013	American Fence & Supply Co.	1020 - American Bk Operating Checking		-596.12
<i>Bill</i>	<i>0003-84239</i>	<i>05/13/2013</i>		<i>1584 - POA Receivables</i>	<i>-596.12</i>	<i>596.12</i>
TOTAL					-596.12	596.12
Bill Pmt -C 13600		05/16/2013	Austin Armature Works	1020 - American Bk Operating Checking		-464.09
<i>Bill</i>	<i>SRI1812</i>	<i>05/10/2013</i>		<i>6327 - WWTP Repair & Maintenance</i>	<i>-464.09</i>	<i>464.09</i>
TOTAL					-464.09	464.09

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -C 13601		05/16/2013	ChemEquip Services LLC	1020 - American Bk Operating Checking		-917.50
<i>Bill</i>	<i>2408</i>	<i>05/08/2013</i>		<i>6314 - R&M-Plant & Pump Station</i>	<i>-917.50</i>	<i>917.50</i>
TOTAL					-917.50	917.50
Bill Pmt -C 13602		05/16/2013	Debbie Holley	1020 - American Bk Operating Checking		-24.64
<i>Bill</i>	<i>May 3, 2013</i>	<i>05/03/2013</i>		<i>6180 - Employee Training & Travel Exp</i>	<i>-24.64</i>	<i>24.64</i>
TOTAL					-24.64	24.64
Bill Pmt -C 13603		05/16/2013	DPC Industries, Inc	1020 - American Bk Operating Checking		-192.20
<i>Bill</i>	<i>767002095-13</i>	<i>05/01/2013</i>		<i>6317 - WWTP Chemicals</i>	<i>-192.20</i>	<i>192.20</i>
TOTAL					-192.20	192.20
Bill Pmt -C 13604		05/16/2013	Fastenal	1020 - American Bk Operating Checking		-9.77
<i>Bill</i>	<i>TX00170227</i>	<i>04/29/2013</i>		<i>6329 - R&M-Building/Misc.</i>	<i>-9.77</i>	<i>9.77</i>
TOTAL					-9.77	9.77
Bill Pmt -C 13605		05/16/2013	Ferguson Enterprises	1020 - American Bk Operating Checking		-191.37
<i>Bill</i>	<i>1852376</i>	<i>05/06/2013</i>		<i>6327 - WWTP Repair & Maintenance</i>	<i>-191.37</i>	<i>191.37</i>
TOTAL					-191.37	191.37
Bill Pmt -C 13606		05/16/2013	Foxworth-Galbraith	1020 - American Bk Operating Checking		-232.75
<i>Bill</i>	<i>April 2013 Stmt</i>	<i>04/30/2013</i>		<i>1584 - POA Receivables</i>	<i>-209.50</i>	<i>209.50</i>
				<i>6321 - Collection System R&M</i>	<i>-23.25</i>	<i>23.25</i>
TOTAL					-232.75	232.75
Bill Pmt -C 13607		05/16/2013	Grainger	1020 - American Bk Operating Checking		-104.89
<i>Bill</i>	<i>9134601971</i>	<i>05/06/2013</i>		<i>6335 - Machinery Repair & Maintenance</i>	<i>-26.65</i>	<i>26.65</i>
				<i>6329 - R&M-Building/Misc.</i>	<i>-78.24</i>	<i>78.24</i>
TOTAL					-104.89	104.89
Bill Pmt -C 13608		05/16/2013	Home Depot Credit Services	1020 - American Bk Operating Checking		-305.27
<i>Bill</i>	<i>April 2013 Stmt</i>	<i>04/21/2013</i>		<i>1584 - POA Receivables</i>	<i>-102.53</i>	<i>102.53</i>
				<i>1515 - General Fund Receivables</i>	<i>-57.43</i>	<i>57.43</i>
				<i>6350 - Miscellaneous Operational Exp.</i>	<i>-105.18</i>	<i>105.18</i>

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
				6314 · R&M-Plant & Pump Station	-40.13	40.13
TOTAL					-305.27	305.27
Bill Pmt -C 13609		05/16/2013	LCRA	1020 · American Bk Operating Checking		-472.62
Bill	00523559 Mar20	04/30/2013		1582 · PFC Receivable	-472.62	472.62
TOTAL					-472.62	472.62
Bill Pmt -C 13610		05/16/2013	Marble Falls Napa	1020 · American Bk Operating Checking		-229.42
Bill	April 2013 Stmt	04/30/2013		6335 · Machinery Repair & Maintenance	-168.32	168.32
				6420 · POA Equipment R&M	-61.10	61.10
TOTAL					-229.42	229.42
Bill Pmt -C 13611		05/16/2013	Sprint	1020 · American Bk Operating Checking		-32.61
Bill	55043131005082	04/25/2013		6260 · Telephone Expense	-32.61	32.61
TOTAL					-32.61	32.61
Bill Pmt -C 13612		05/16/2013	Sprint PCS	1020 · American Bk Operating Checking		-241.59
Bill	581612715-069	05/10/2013		6260 · Telephone Expense	-241.59	241.59
TOTAL					-241.59	241.59
Bill Pmt -C 13613		05/16/2013	Valero	1020 · American Bk Operating Checking		-204.54
Bill	April 2013 Stmt	05/07/2013		6341 · Vehicle Fuel	-204.54	204.54
TOTAL					-204.54	204.54
Bill Pmt -C 13614		05/16/2013	Verizon Southwest	1020 · American Bk Operating Checking		-245.20
Bill	May 2013 Stmt	05/04/2013		6260 · Telephone Expense	-193.50	193.50
				1515 · General Fund Receivables	-51.70	51.70
TOTAL					-245.20	245.20
Bill Pmt -C 13615		05/16/2013	Wex Bank	1020 · American Bk Operating Checking		-714.05
Bill	Acct#1476-00-81	05/08/2013		6341 · Vehicle Fuel	-714.05	714.05
TOTAL					-714.05	714.05
Bill Pmt -C 13616		05/16/2013	William H. Hupp	1020 · American Bk Operating Checking		-220.00

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill	2013 5A	05/08/2013		6322 · Irrigation Maintenance Expense	-55.00	55.00
				6314 · R&M-Plant & Pump Station	-60.00	60.00
				1515 · General Fund Receivables	-50.00	50.00
				6327 · WWTP Repair & Maintenance	-55.00	55.00
TOTAL					-220.00	220.00
Bill Pmt -C 13617		05/24/2013	Card Services - VISA	1020 · American Bk Operating Checking		-362.19
Bill	April 2013	05/10/2013		6335 · Machinery Repair & Maintenance	-255.52	255.52
				6250 · Office Supplies	-39.92	39.92
				1515 · General Fund Receivables	-20.75	20.75
				1584 · POA Receivables	-46.00	46.00
TOTAL					-362.19	362.19
Bill Pmt -C 13618		05/24/2013	Elliott Electric Supply	1020 · American Bk Operating Checking		-271.13
Bill	36-08984-01	05/09/2013		6327 · WWTP Repair & Maintenance	-12.75	12.75
Bill	36-09583-91	05/21/2013		6322 · Irrigation Maintenance Expense	-26.58	26.85
Bill	36-09565-01	05/21/2013		6322 · Irrigation Maintenance Expense	-170.97	172.69
Bill	36-09731-01	05/23/2013		6327 · WWTP Repair & Maintenance	-7.27	7.34
Bill	36-09762-01	05/23/2013		6327 · WWTP Repair & Maintenance	-17.19	17.36
Bill	36-09762-02	05/24/2013		6327 · WWTP Repair & Maintenance	-36.37	36.72
TOTAL					-271.13	273.71
Bill Pmt -C 13619		05/24/2013	ExxonMobil	1020 · American Bk Operating Checking		-89.92
Bill	May 2013	05/22/2013		6341 · Vehicle Fuel	-89.92	89.92
TOTAL					-89.92	89.92
Bill Pmt -C 13620		05/24/2013	Granite Trucking, Inc.	1020 · American Bk Operating Checking		-236.44
Bill	963	05/22/2013		6322 · Irrigation Maintenance Expense	-236.44	236.44
TOTAL					-236.44	236.44
Bill Pmt -C 13621		05/24/2013	HACH	1020 · American Bk Operating Checking		-1,543.95
Bill	8296304	05/21/2013		6316 · WTP Chemical Expense	-732.97	732.97
				6327 · WWTP Repair & Maintenance	-810.98	810.98
TOTAL					-1,543.95	1,543.95
Bill Pmt -C 13622		05/24/2013	Professional Turf Products	1020 · American Bk Operating Checking		-712.21

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill	650464-00	05/07/2013		6322 · Irrigation Maintenance Expense	-712.21	712.21
TOTAL					-712.21	712.21
Bill Pmt -C 13623		05/24/2013	Quill	1020 · American Bk Operating Checking		-258.26
Bill	2599335	05/22/2013		6250 · Office Supplies	-100.51	100.51
Bill	2592940	05/22/2013		6250 · Office Supplies	-157.75	157.75
TOTAL					-258.26	258.26
Bill Pmt -C 13624		05/30/2013	Aqua-Tech Lab, Inc.	1020 · American Bk Operating Checking		-198.00
Bill	3199	05/24/2013		6320 · Water Outside Testing Expense	-107.00	107.00
				6318 · Outside Testing Wastewater	-91.00	91.00
TOTAL					-198.00	198.00
Bill Pmt -C 13625		05/30/2013	Debbie Holley	1020 · American Bk Operating Checking		-26.47
Bill	5-16-13	05/17/2013		6180 · Employee Training & Travel Exp	-26.47	26.47
TOTAL					-26.47	26.47
Bill Pmt -C 13626		05/30/2013	Fastenal	1020 · American Bk Operating Checking		-35.87
Bill	TX00170393	05/07/2013		6327 · WWTP Repair & Maintenance	-10.57	10.57
Bill	TX00170580	05/29/2013		6350 · Miscellaneous Operational Exp.	-25.30	25.30
TOTAL					-35.87	35.87
Bill Pmt -C 13627		05/30/2013	James Woods	1020 · American Bk Operating Checking		-100.00
Bill	Refund	05/16/2013		3010 · Service Deposits Payable	-100.00	100.00
TOTAL					-100.00	100.00
Bill Pmt -C 13628		05/30/2013	Lanford Equipment Co. Inc.	1020 · American Bk Operating Checking		-141.65
Bill	MI32945	05/28/2013		6420 · POA Equipment R&M	-141.65	141.65
TOTAL					-141.65	141.65
Bill Pmt -C 13629		05/30/2013	Magna-Flow Environmental	1020 · American Bk Operating Checking		-761.88
Bill	31186	05/29/2013		6327 · WWTP Repair & Maintenance	-761.88	761.88
TOTAL					-761.88	761.88
Bill Pmt -C 13630		05/30/2013	Meadowlakes Webworm	1020 · American Bk Operating Checking		-130.50

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill	2013 Webworm	05/15/2013		6332 · Mahan Property Upkeep	-130.50	130.50
TOTAL					-130.50	130.50
Bill Pmt -C 13631		05/30/2013	PEC	1020 · American Bk Operating Checking		-4,890.00
Bill	May 2013	05/28/2013		6305 · Water Treatment Electrical	-2,681.74	2,681.74
				6304 · Wastewater Electrical	-2,208.26	2,208.26
TOTAL					-4,890.00	4,890.00
Bill Pmt -C 13632		05/30/2013	Ruth Martin	1020 · American Bk Operating Checking		-34.95
Bill	Refund	05/24/2013		3010 · Service Deposits Payable	-34.95	34.95
TOTAL					-34.95	34.95
Bill Pmt -C 13633		05/30/2013	RVS Software	1020 · American Bk Operating Checking		-294.54
Bill	118578	05/28/2013		6250 · Office Supplies	-294.54	294.54
TOTAL					-294.54	294.54
Bill Pmt -C 13634		05/30/2013	Techline Pipe L.P.	1020 · American Bk Operating Checking		-1,300.50
Bill	1044476-00	05/17/2013		6322 · Irrigation Maintenance Expense	-92.50	92.50
Bill	1044437-00	05/17/2013		6327 · WWTP Repair & Maintenance	-197.00	197.00
Bill	1044229-00	05/17/2013		6360 · Tap Materials-Water	-1,011.00	1,011.00
TOTAL					-1,300.50	1,300.50
Bill Pmt -C 13635		05/30/2013	UniFirst Holdings, Inc.	1020 · American Bk Operating Checking		-427.40
Bill	822 1524662	04/29/2013		6170 · Employee Uniform Expense	-174.24	174.24
Bill	822 1526535	05/06/2013		6170 · Employee Uniform Expense	-59.84	59.84
Bill	822 1528409	05/13/2013		6170 · Employee Uniform Expense	-61.34	61.34
Bill	822 1530300	05/22/2013		6170 · Employee Uniform Expense	-66.54	66.54
Bill	822 1532189	05/27/2013		6170 · Employee Uniform Expense	-65.44	65.44
TOTAL					-427.40	427.40
Bill Pmt -C 13636		05/30/2013	USA Bluebook	1020 · American Bk Operating Checking		-294.28
Bill	963530	05/28/2013		6316 · WTP Chemical Expense	-294.28	294.28
TOTAL					-294.28	294.28
Bill Pmt -C 13637		05/30/2013	Wendy Pritchett	1020 · American Bk Operating Checking		-15.26

City of Meadowlakes-Utility Fund
Check Detail
May 2013

Type	Num	Date	Name	Account	Paid Amount	Original Amount
<i>Bill</i>	<i>Refund</i>	<i>05/16/2013</i>		<i>3010 - Service Deposits Payable</i>	<i>-15.26</i>	<i>15.26</i>
<i>TOTAL</i>					<i>-15.26</i>	<i>15.26</i>
Total Utility Fund Operating Disbursements					-46,348.7	
Total Construction Fund Disbursements					-8,167.21	
Total Debt Service Fund Disbursements					0	

City of Meadowlakes
Check Detail
May 2013

Type	Num	Date	Name	Account	Amount	Amount
Check	6214	05/06/2013	Marble Falls Area EMS Inc	05-1015 · American Bank of Texas-Checking	-2,791.67	-2,791.67
				05-6610 · Marble Falls EMS	-2,791.67	2,791.67
TOTAL					-2,791.67	2,791.67
Check	6215	05/06/2013	Marble Falls Area Fire Dept Inc	05-1015 · American Bank of Texas-Checking	-2,500.00	-2,500.00
				05-6620 · Marble Falls Fire	-2,500.00	2,500.00
TOTAL					-2,500.00	2,500.00
Check	6216	05/06/2013	Adams, Don	05-1015 · American Bank of Texas-Checking	-200.00	-200.00
				05-5727 · Office Lease - Judge	-200.00	200.00
TOTAL					-200.00	200.00
Check	6217	05/06/2013	Schinnerer, Victor O & Company	05-1015 · American Bank of Texas-Checking	-50.00	-50.00
				05-6355 · Miscellaneous	-50.00	50.00
TOTAL					-50.00	50.00
Check	6218	05/06/2013	Pedernales Electric Coop	05-1015 · American Bank of Texas-Checking	-169.20	-169.20
				05-6420 · Electric Service	-169.20	169.20
TOTAL					-169.20	169.20
Check	6219	05/06/2013	Spotless Cleaning	05-1015 · American Bank of Texas-Checking	-260.00	-260.00
				05-6360 · Office Maintenance-Cleaning	-260.00	260.00
TOTAL					-260.00	260.00
Check	6220	05/06/2013	Willis Inspection Service	05-1015 · American Bank of Texas-Checking	-600.00	-600.00
				05-5140 · Bldg Inspections	-150.00	150.00
				05-5140 · Bldg Inspections	-150.00	150.00
				05-5140 · Bldg Inspections	-100.00	100.00
				05-5140 · Bldg Inspections	-200.00	200.00
TOTAL					-600.00	600.00
Check	6221	05/06/2013	Fallspointe LLC	05-1015 · American Bank of Texas-Checking	-500.00	-500.00
				05-5120 · Deposits-Clean-up	-500.00	500.00
TOTAL					-500.00	500.00

City of Meadowlakes
Check Detail
May 2013

Type	Num	Date	Name	Account	Amount	Amount
Check	6222	05/06/2013	Burnet Veterinary Clinic Inc	05-1015 · American Bank of Texas-Checking		-47.00
				05-5360 · Pet Holding Fee/Rabies	-47.00	47.00
TOTAL					-47.00	47.00
Check	6223	05/06/2013	Preston, Pat	05-1015 · American Bank of Texas-Checking		-184.25
				05-5274 · Mileage	-184.25	184.25
TOTAL					-184.25	184.25
Check	6225	05/07/2013	Meadowlakes Public Works Division	05-1015 · American Bank of Texas-Checking		-160.27
				05-6410 · Maintenance & Repair	-160.27	160.27
TOTAL					-160.27	160.27
Check	6226	05/07/2013	Meadowlakes Public Works Division	05-1015 · American Bank of Texas-Checking		-612.50
				05-6327 · Cap Exp Under \$5000	-612.50	612.50
TOTAL					-612.50	612.50
Check	6227	05/07/2013	Visa	05-1015 · American Bank of Texas-Checking		-465.24
				05-5230 · Communications	-16.07	16.07
				05-6330 · Postage	-122.04	122.04
				05-5705 · Education	-307.14	307.14
				05-5370 · Communications	-19.99	19.99
TOTAL					-465.24	465.24
Check	6228	05/13/2013	Xerox Corporation	05-1015 · American Bank of Texas-Checking		-335.00
				05-6325 · Lease-Copier	-245.65	245.65
				05-6320 · Office Supplies	-89.35	89.35
TOTAL					-335.00	335.00
Check	6229	05/13/2013	McCreary, Veselka, Bragg & Allen	05-1015 · American Bank of Texas-Checking		-75.21
				05-5040 · Collection Expense	-75.21	75.21
TOTAL					-75.21	75.21
Check	6230	05/13/2013	Hill Country Humane Society	05-1015 · American Bank of Texas-Checking		-100.00
				05-6321 · Gifts, Flowers etc.	-100.00	100.00

City of Meadowlakes
Check Detail
May 2013

	Type	Num	Date	Name	Account	Amount	Amount
TOTAL						-100.00	100.00
	Check	6231	05/20/2013	Triple E Construction	05-1015 · American Bank of Texas-Checking		-500.00
					05-5120 · Deposits-Clean-up	-500.00	500.00
TOTAL						-500.00	500.00
	Check	6232	05/20/2013	Marble Falls Spa & Pool	05-1015 · American Bank of Texas-Checking		-500.00
					05-5120 · Deposits-Clean-up	-500.00	500.00
TOTAL						-500.00	500.00
	Check	6234	05/27/2013	McKamie Krueger, LLP	05-1015 · American Bank of Texas-Checking		-195.00
					05-6110 · City Attorney-General	-195.00	195.00
TOTAL						-195.00	195.00
	Check	6235	05/27/2013	Business Center	05-1015 · American Bank of Texas-Checking		-49.98
					05-6320 · Office Supplies	-49.98	49.98
TOTAL						-49.98	49.98
	Check	6236	05/31/2013	Galaway, Robbie	05-1015 · American Bank of Texas-Checking		-633.33
					05-5320 · Contract Agreement	-633.33	633.33
TOTAL						-633.33	633.33
Total Monthly Disbursements						-10,928.65	

City of Meadowlakes Payroll
Check Detail
May 2013

Type	Num	Date	Name	Account	Amount	Amount
Liability Check		05/03/2013	QuickBooks Payroll Service	04-1001 · City of Meadowlakes Payroll		-13,140.63
				66000 · Payroll Expenses	-17.40	17.40
				66000 · Payroll Expenses	-0.87	0.87
			QuickBooks Payroll Service	2110 · Direct Deposit Liabilities	-13,122.36	13,122.36
TOTAL					-13,140.63	13,140.63
Liability Check		05/17/2013	QuickBooks Payroll Service	04-1001 · City of Meadowlakes Payroll		-13,120.95
				66000 · Payroll Expenses	-17.40	17.40
				66000 · Payroll Expenses	-0.87	0.87
			QuickBooks Payroll Service	2110 · Direct Deposit Liabilities	-13,102.68	13,102.68
TOTAL					-13,120.95	13,120.95
Liability Check		05/31/2013	QuickBooks Payroll Service	04-1001 · City of Meadowlakes Payroll		-12,538.68
				66000 · Payroll Expenses	-15.95	15.95
				66000 · Payroll Expenses	-0.80	0.80
			QuickBooks Payroll Service	2110 · Direct Deposit Liabilities	-12,521.93	12,521.93
TOTAL					-12,538.68	12,538.68
Liability Check		05/31/2013	QuickBooks Payroll Service	04-1001 · City of Meadowlakes Payroll		-1,620.48
				66000 · Payroll Expenses	-5.80	5.80
				66000 · Payroll Expenses	-0.29	0.29
			QuickBooks Payroll Service	2110 · Direct Deposit Liabilities	-1,614.39	1,614.39
TOTAL					-1,620.48	1,620.48
Liability Check	E-pay	05/02/2013	Internal Revenue Service	04-1001 · City of Meadowlakes Payroll		-4,473.18
				24000 · Payroll Liabilities	-1,774.00	1,774.00
				24000 · Payroll Liabilities	-1,093.79	1,093.79
				24000 · Payroll Liabilities	-1,093.79	1,093.79
				24000 · Payroll Liabilities	-255.80	255.80
				24000 · Payroll Liabilities	-255.80	255.80
TOTAL					-4,473.18	4,473.18
Liability Check	E-pay	05/16/2013	Internal Revenue Service	04-1001 · City of Meadowlakes Payroll		-4,462.52
				24000 · Payroll Liabilities	-1,768.00	1,768.00
				24000 · Payroll Liabilities	-1,091.91	1,091.91
				24000 · Payroll Liabilities	-1,091.91	1,091.91
				24000 · Payroll Liabilities	-255.35	255.35
				24000 · Payroll Liabilities	-255.35	255.35
TOTAL					-4,462.52	4,462.52

City of Meadowlakes Payroll
Check Detail
May 2013

Type	Num	Date	Name	Account	Amount	Amount
Liability Check	E-pay	05/30/2013	Internal Revenue Service	04-1001 · City of Meadowlakes Payroll		-4,266.96
				24000 · Payroll Liabilities	-1,692.00	1,692.00
				24000 · Payroll Liabilities	-1,043.44	1,043.44
				24000 · Payroll Liabilities	-1,043.44	1,043.44
				24000 · Payroll Liabilities	-244.04	244.04
				24000 · Payroll Liabilities	-244.04	244.04
TOTAL					-4,266.96	4,266.96
Liability Check	E-pay	05/30/2013	Internal Revenue Service	04-1001 · City of Meadowlakes Payroll		-374.72
				24000 · Payroll Liabilities	-92.00	92.00
				24000 · Payroll Liabilities	-114.56	114.56
				24000 · Payroll Liabilities	-114.56	114.56
				24000 · Payroll Liabilities	-26.80	26.80
				24000 · Payroll Liabilities	-26.80	26.80
TOTAL					-374.72	374.72
Check	3652	05/02/2013	Guardian	04-1001 · City of Meadowlakes Payroll		-276.05
				04-5330 · Employee Insurance Exp	-96.72	96.72
				04-6330 · Employee Insurance	-179.33	179.33
TOTAL					-276.05	276.05
Check	3653	05/02/2013	Blue Cross Blue Shield	04-1001 · City of Meadowlakes Payroll		-3,895.60
				04-5330 · Employee Insurance Exp	-973.90	973.90
				04-6330 · Employee Insurance	-2,921.70	2,921.70
TOTAL					-3,895.60	3,895.60
Liability Check	3654	05/02/2013	Dental Select	04-1001 · City of Meadowlakes Payroll		-375.58
				24000 · Payroll Liabilities	-375.58	375.58
TOTAL					-375.58	375.58
Liability Check	3655	05/02/2013	Texas Municipal Retirement Sys	04-1001 · City of Meadowlakes Payroll		-2,803.38
				04-5340 · Employee Retirement	-117.26	117.26
				04-6340 · Employee Retirement Ex	-257.45	257.45
				04-6260 · Employee Retirement Pa	-2,428.67	2,428.67
TOTAL					-2,803.38	2,803.38

City of Meadowlakes Payroll
Check Detail
May 2013

Type	Num	Date	Name	Account	Amount	Amount
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Payroll Re-Cap
May-13

Pay Period	Fund	Wages	Payroll Taxes	Retirement Expense	Total Payroll Exp.
April 27 thru May 3, 2013	General	\$ 5,642.56	\$ 431.65	\$ 58.05	\$ 6,132.26
(Bi-weekly)	Utility	\$ 11,999.37	\$ 917.94	\$ 9.91	\$ 12,927.22
Total		\$ 17,641.93	\$ 1,349.59	\$ 67.96	\$ 17,641.93
May 4, thru May 17, 2013	General	\$ 5,654.32	\$ 432.57	\$ 58.06	\$ 6,144.95
(Bi-weekly)	Utility	\$ 11,956.71	\$ 914.70	\$ 129.13	\$ 13,000.54
Total		\$ 17,611.03	\$ 1,347.27	\$ 187.19	\$ -
May 18 thru May 31, 2013	General	\$ 5,627.50	\$ 430.51	\$ 57.97	\$ 6,115.98
(Bi-weekly)	Utility	\$ 11,202.20	\$ 856.97	\$ 120.98	\$ 12,180.15
Total		\$ 16,829.70	\$ 1,287.48	\$ 178.95	\$ -
April 27 thru May 26, 2013	General	\$ 1,847.75	\$ 141.35	\$ -	\$ 1,989.10
(Monthly)					
Totals					
General Fund		\$ 18,772.13	\$ 1,436.08	\$ 174.08	\$ -
Utility Fund		\$ 40,785.78	\$ 3,120.12	\$ 317.99	\$ -
Total		\$ 59,557.91	\$ 4,556.20	\$ 492.07	\$ 64,606.18

City of Meadowlakes

Agenda Item-VI-A

Items for Consideration

City Council Meeting

June 11, 2013

Date: June 5, 2013, 2013

To: Honorable Mayor Williams and Council Persons

From: Johnnie Thompson, City Manager

Agenda Item: VI-C-PFC Financial Statements

Requested Council Agenda Date: May 14, 2013

Contact Name & Number: Johnnie Thompson, City Manager

1. Place On: ☐ Consent ☐ New Business ☒ Old Business
2. Budget Impact Statement Attached: ☐ Yes ☐ No ☒ N/A
3. Original Copies of Documents Approved to from by City Attorney?
☐ Yes ☐ No ☒ N/A
-

4. Background:

Please find attached the PFC financial report for the month of May 2013; I have not enclosed the check register due to its length. If you want copy I will be glad to run it for you.

Cursory review of the financials reflects a year-to-date net gain of \$6,600 with a net gain for May of \$8,179. This compares to a net gain for the year-to-date of \$52,954 at for the same period last year and May of last year reflected a net gain of \$8,993. Revenues for the year-to-date are approximately 5.2% (\$33,894) less than at this time last year and almost identical to those in May of last year.

Expenses for May are about 1% (\$789) greater than those in May of last year. Year-to-date expenses exceed those of for the same period last year by 2% (\$12,460).

It appears that Food & Beverage has lost about \$4,400 so far this year compared to roughly breaking even this time last year.

The PFC's cash flow, which had a small increase in April took a roughly \$2,000 dive in May. Their current cash balance is \$36,769 which is \$18,000 less than at this time last year.

Hidden Falls Golf Club (New)

Balance Sheet

As of May 31, 2013

	<u>May 31, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · DBA Hidden Falls Checking	
03-1016 · Operating Account - Checking 57	-3,119.20
03-1020 · Operating Account - MM 00	39,888.91
03-1022 · TABC Security Bond	5,000.00
03-1100 · Petty Cash	650.00
Total 1000 · DBA Hidden Falls Checking	<u>42,419.71</u>
Total Checking/Savings	42,419.71
Accounts Receivable	
11000 · Accounts Receivable	
03-1520 · Other Receivables	3,215.32
Total 11000 · Accounts Receivable	<u>3,215.32</u>
Total Accounts Receivable	3,215.32
Other Current Assets	
03-1991 · Good Will, Net	-70,519.94
1800 · Inventory	
1807 · Food & Beverage Inventory	
1810 · Food Inventory	4,992.76
1815 · Beer Inventory	1,491.57
1816 · Wine Inventory	213.70
1817 · Liquor Inventory	747.66
1820 · Beverage Inventory	907.35
Total 1807 · Food & Beverage Inventory	<u>8,353.04</u>
Total 1800 · Inventory	8,353.04
1812 · Pre-Paid License	1,275.50
Total Other Current Assets	<u>-60,891.40</u>
Total Current Assets	-15,256.37
Fixed Assets	
1900 · Fixed Asset	
03-1950 · Equipment - Maintenance	24,439.21
03-1955 · New Course Construction	4,878.69
03-1956 · Accum Depreciation Improvements	-1,267.36
03-1965 · Capital Repair	4,626.51
03-1966 · Accum Depreciation M&E	-4,382.97

Hidden Falls Golf Club (New)

Balance Sheet

As of May 31, 2013

	May 31, 13
03-1990 - Good Will	<u>193,929.82</u>
Total 1900 - Fixed Asset	<u>222,223.90</u>
 Total Fixed Assets	 222,223.90
 Other Assets	
1500 - Golf Fund Receivables	
1510 - Member Dues-Receivables	11,974.98
1520 - Other Receivables	<u>-3,215.32</u>
Total 1500 - Golf Fund Receivables	<u>8,759.66</u>
 Total Other Assets	 <u>8,759.66</u>
 TOTAL ASSETS	 <u><u>215,727.19</u></u>
 LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	
03-2041 - Tips Payable	0.02
2000 - Accounts Payable - Other	<u>11,129.96</u>
Total 2000 - Accounts Payable	<u>11,129.98</u>
 Total Accounts Payable	 11,129.98
 Other Current Liabilities	
03-2000 - Current Liabilites	
03-2024 - Alcohol Tax Payable	1,387.26
03-2025 - Credit Book Payable	1,372.13
03-2026 - Sales Tax Payable	1,487.04
03-4000 - Payroll Liabilities	<u>191.61</u>
Total 03-2000 - Current Liabilites	<u>4,438.04</u>
 Total Other Current Liabilities	 <u>4,438.04</u>
 Total Current Liabilities	 15,568.02
 Long Term Liabilities	
03-3550 - Short Term Debt	
03-3555 - Loan Payable From Utility Fund	293,385.69
03-3556 - Cash Advance from Gen Fund	<u>-0.01</u>
Total 03-3550 - Short Term Debt	<u>293,385.68</u>

Hidden Falls Golf Club (New)
Balance Sheet
As of May 31, 2013

	<u>May 31, 13</u>
Total Long Term Liabilities	<u>293,385.68</u>
Total Liabilities	308,953.70
Equity	
40000 - Retained Earnings	-99,827.07
Net Income	<u>6,600.56</u>
Total Equity	<u>-93,226.51</u>
TOTAL LIABILITIES & EQUITY	<u><u>215,727.19</u></u>

Hidden Falls G.C.
Profit Loss
FY 2013

	FY2011 May Actual	FY2012 May Actual	FY2013 May Budget	FY2013 May Actual	FY13 April Var.	%		FY2011 YTD Actual	FY2012 YTD Actual	FY2013 YTD Budget	FY2013 YTD Actual	FY13 YTD Var.
<u>Golf Revenue</u>												
Membership	\$31,201	\$30,030	\$30,000	\$30,003.30	\$3			\$264,852	\$245,887	\$243,000.00	\$230,576.36	(\$12,424)
Initiation Fee	\$150	\$240	\$166	\$273.02	\$107			\$925	\$1,061	\$1,332.00	\$273.02	(\$1,059)
Green Fees	\$13,913	\$16,080	\$16,500	\$14,793.26	(\$1,707)			\$89,452	\$99,580	\$104,000.00	\$94,162.51	(\$9,837)
Cart Rental	\$9,365	\$9,829	\$11,000	\$8,820.49	(\$2,180)			\$57,679	\$61,452	\$67,000.00	\$52,745.51	(\$14,254)
Range	\$2,486	\$1,913	\$2,100	\$3,214.49	\$1,114			\$23,978	\$22,278	\$23,300.00	\$26,326.67	\$3,027
Merch.	\$8,908	\$7,241	\$7,500	\$8,372.57	\$873			\$60,038	\$52,027	\$53,500.00	\$58,108.62	\$4,609
Tournament	\$3,802	\$601	\$2,000	\$3,671.28	\$1,671			\$16,803	\$14,438	\$17,500.00	\$14,408.85	(\$3,091)
 Total Golf Revenue	 \$69,824	 \$65,934	 \$69,266	 \$69,148.41	 (\$118)	 -0.17%		 \$513,727	 \$496,724	 \$509,632.00	 \$476,601.54	 (\$33,030)
<u>F & B Revenue</u>												
Food	\$10,670	\$11,431	\$11,000	\$7,514.88	(\$3,485)			\$94,541	\$90,247	\$90,000.00	\$76,803.43	(\$13,197)
Beverage	\$564	\$630	\$500	\$607.91	\$108			\$3,503	\$3,676	\$2,900.00	\$4,109.62	\$1,210
Liquor	\$1,385	\$1,729	\$1,700	\$2,268.68	\$569			\$15,097	\$13,892	\$13,900.00	\$14,252.45	\$352
Beer	\$4,675	\$5,699	\$5,700	\$5,694.56	(\$5)			\$38,876	\$37,437	\$38,400.00	\$37,003.14	(\$1,397)
Wine	\$427	\$419	\$500	\$552.98	\$53			\$7,676	\$5,937	\$6,100.00	\$5,029.62	(\$1,070)
 Total F & B Revenue	 \$17,721	 \$19,908	 \$19,400	 \$16,639.01	 (\$2,761)	 -14.23%		 \$159,695	 \$151,188	 \$151,300.00	 \$137,198.26	 (\$14,102)
<u>Tennis/Swim Revenue</u>												
Tennis Fees	\$121	\$148	\$150	\$113.00	(\$37)			\$1,122	\$931	\$1,000.00	\$1,358.00	\$358
Swim Fees	\$1,276	\$1,380	\$1,500	\$1,446.00	(\$54)			\$1,276	\$1,380	\$1,500.00	\$1,446.00	(\$54)
 Total Tennis/Swim Revenue	 \$1,397	 \$1,528	 \$1,650	 \$1,559.00	 (\$91)	 -5.52%		 \$2,398	 \$2,311	 \$2,500.00	 \$2,804.00	 \$304
 Other Revenue	 \$2	 \$4	 \$10	 \$2.22	 (\$8)	 -77.80%		 \$15	 \$283	 \$460.00	 \$8.58	 (\$451)
 Total Revenue	 \$88,945	 \$87,374	 \$90,326	 \$87,348.64	 (\$2,977)	 -3.30%		 \$675,835	 \$650,506	 \$663,892.00	 \$616,612.38	 (\$47,280)

Hidden Falls G.C.
Profit Loss
FY 2013

	FY2011	FY2012	FY2013	FY2013	FY13		FY2011	FY2012	FY2013	FY2013	FY13
	May	May	May	May	April		YTD	YTD	YTD	YTD	YTD
	Actual	Actual	Budget	Actual	Var.	%	Actual	Actual	Budget	Actual	Var.
<u>Gen. & Admin. Expenses</u>											
Accounting	\$0	\$0	\$40	\$0.00	(\$40)		\$156	\$0	\$340.00	\$0.00	(\$340)
Advertising	\$647	\$986	\$750	\$949.32	\$199		\$6,236	\$7,284	\$6,000.00	\$6,307.92	\$308
Audit	\$0	\$0	\$0	\$0.00	\$0		\$5,000	\$5,193	\$5,200.00	\$5,190.00	(\$10)
Bank Charges	\$0	\$0	\$42	\$31.50	(\$10)		\$55	\$5	\$333.32	\$452.67	\$119
Cash Over/Short	\$139	(\$19)	\$0	(\$58.30)	(\$58)		\$162	\$165	\$0.00	(\$126.25)	(\$126)
Cleaning	\$435	\$322	\$333	\$107.50	(\$226)		\$1,616	\$2,630	\$2,666.64	\$1,743.50	(\$923)
Bookkeeping	\$426	\$432	\$225	\$432.00	\$207		\$1,596	\$1,704	\$1,800.00	\$1,560.00	(\$240)
Credit Card Discount	\$1,317	\$1,361	\$1,100	\$1,190.42	\$90		\$7,701	\$7,673	\$7,900.00	\$7,130.77	(\$769)
Dues & Subscriptions	\$0	\$110	\$125	\$0.00	(\$125)		\$473	\$774	\$1,000.00	\$721.25	(\$279)
Insurance - Health	\$1,286	\$1,300	\$1,295	\$1,427.52	\$133		\$9,572	\$9,948	\$10,360.00	\$11,953.84	\$1,594
Insurance - Property	\$0	\$0	\$0	\$0.00	\$0		\$4,597	\$4,770	\$5,000.00	\$5,450.09	\$450
Insurance - Liability	\$0	\$0	\$0	\$0.00	\$0		\$5,314	\$3,591	\$4,000.00	\$4,177.82	\$178
Insurance - WC	\$0	\$0	\$0	\$0.00	\$0		\$11,857	\$9,978	\$10,000.00	\$10,656.45	\$656
Interest	\$510	\$0	\$0	\$0.00	\$0		\$4,194	\$0	\$0.00	\$0.00	\$0
Lease - Facility	\$10	\$1,000	\$1,000	\$1,000.00	\$0		\$80	\$8,000	\$8,000.00	\$8,000.00	\$0
Lease - Office	\$0	\$0	\$0	\$0.00	\$0		\$100	\$0	\$0.00	\$0.00	\$0
Member Relations	\$25	\$0	\$100	\$0.00	(\$100)		\$189	\$285	\$800.00	\$165.60	(\$634)
Misc.	\$0	\$0	\$125	\$0.00	(\$125)		\$564	\$746	\$1,000.00	\$560.54	(\$439)
New Hire	\$65	\$0	\$40	\$63.40	\$23		\$520	\$0	\$340.00	\$63.40	(\$277)
Office Supplies	\$526	\$209	\$333	\$421.36	\$88		\$1,978	\$1,782	\$2,666.64	\$1,892.76	(\$774)
Pest Control	\$0	\$0	\$0	\$75.00	\$75		\$0	\$0	\$300.00	\$150.00	(\$150)
Postage	\$132	\$90	\$100	\$92.00	(\$8)		\$1,012	\$759	\$800.00	\$770.00	(\$30)
Repair & Maint.	\$780	\$610	\$667	\$950.88	\$284		\$4,130	\$5,888	\$5,333.28	\$4,331.71	(\$1,002)
Security	\$32	\$32	\$33	\$33.54	\$0		\$240	\$253	\$266.64	\$268.32	\$2
Signage	\$0	\$0	\$42	\$99.90	\$58		\$427	\$14	\$333.32	\$126.96	(\$206)
Software Maint.	\$1,542	\$389	\$50	\$0.00	(\$50)		\$1,880	\$2,184	\$2,200.00	\$1,500.00	(\$700)
Supplies	\$164	\$1,157	\$700	\$746.98	\$47		\$5,311	\$6,529	\$5,400.00	\$7,228.73	\$1,829
Training & Travel	\$0	\$0	\$175	\$0.00	(\$175)		\$740	\$150	\$1,300.00	\$354.94	(\$945)
Unemployment	\$0	\$0	\$0	\$0.00	\$0		\$2,397	\$6,743	\$5,250.00	\$4,367.90	(\$882)
Utilities - Electric	\$134	\$121	\$150	\$131.50	(\$19)		\$1,047	\$1,017	\$1,325.00	\$1,024.03	(\$301)
Utilities - Phone	\$155	\$152	\$167	\$161.33	(\$5)		\$1,236	\$1,214	\$1,333.32	\$1,121.84	(\$211)
Utilities - Trash	\$157	\$157	\$167	\$0.00	(\$167)		\$1,256	\$1,099	\$1,333.32	\$0.00	(\$1,333)
Utilities - Sewer/Water	\$489	\$358	\$500	\$397.65	(\$102)		\$3,312	\$2,598	\$3,000.00	\$2,697.32	(\$303)
Total G & A Expenses	\$8,971	\$8,766	\$8,258	\$8,254	(\$5)	\$0	\$84,947	\$92,977	\$95,581	\$89,842	(\$5,739)

Hidden Falls G.C.
Profit Loss
FY 2013

	FY2011	FY2012	FY2013	FY2013	FY13		FY2011	FY2012	FY2013	FY2013	FY13
	May	May	May	May	April		YTD	YTD	YTD	YTD	YTD
	Actual	Actual	Budget	Actual	Var.	%	Actual	Actual	Budget	Actual	Var.
<u>Pro Shop Expenses</u>											
Wages	\$12,986	\$9,339	\$10,000	\$9,259.86	(\$740)		\$78,625	\$77,694	\$79,000.00	\$79,784.60	\$785
Payroll Tax	\$971	\$729	\$700	\$710.20	\$10		\$5,655	\$5,578	\$5,700.00	\$6,081.17	\$381
Cart - Lease	\$2,411	\$2,531	\$3,100	\$2,410.80	(\$689)		\$19,286	\$21,620	\$22,200.00	\$21,275.48	(\$925)
Cart - Repair	\$0	\$0	\$60	\$86.69	\$27		\$365	\$0	\$460.00	\$455.20	(\$5)
Cart - Utilities	\$203	\$182	\$220	\$188.09	(\$32)		\$1,338	\$1,459	\$1,580.00	\$1,437.03	(\$143)
Consumable Supplies	\$166	\$95	\$400	\$879.79	\$480		\$2,190	\$1,612	\$2,600.00	\$2,154.97	(\$445)
Merch. Reimbursement	\$8,964	\$7,241	\$7,500	\$8,372.57	\$873		\$60,038	\$52,027	\$53,500.00	\$58,107.62	\$4,608
Misc. Supplies	\$0	\$0	\$333	\$0.00	(\$333)		\$506	\$1,818	\$2,666.64	\$2,533.98	(\$133)
Tournament Expense	\$305	\$0	\$50	\$206.00	\$156		\$305	\$319	\$400.00	\$581.00	\$181
Utilities	\$542	\$481	\$650	\$415.14	(\$235)		\$3,640	\$3,643	\$4,250.00	\$3,446.24	(\$804)
Dues & Fees	\$0	\$0	\$50	\$0.00	(\$50)		\$225	\$3,330	\$3,850.00	\$3,921.00	\$71
Total Pro Shop Expenses	\$26,548	\$20,599	\$23,063	\$22,529.14	(\$534)	-2.32%	\$172,174	\$169,100	\$176,206.64	\$179,778.29	\$3,572
<u>Maintenance Expenses</u>											
Wages	\$13,234	\$11,478	\$12,000	\$13,594.00	\$1,594		\$98,895	\$85,314	\$102,000.00	\$102,255.95	\$256
Payroll Tax	\$996	\$913	\$850	\$1,054.69	\$205		\$7,730	\$6,663	\$7,350.00	\$8,061.99	\$712
Contract Labor	\$341	\$332	\$500	\$932.00	\$432		\$2,639	\$4,920	\$3,000.00	\$4,914.47	\$1,914
Chemicals	\$2,005	\$183	\$700	\$874.59	\$175		\$5,958	\$4,369	\$5,100.00	\$5,463.37	\$363
Dues & Subscriptions	\$0	\$0	\$300	\$0.00	(\$300)		\$175	\$75	\$600.00	\$180.00	(\$420)
Equipment Lease	\$6,300	\$0	\$600	\$0.00	(\$600)		\$50,400	\$12,600	\$4,800.00	\$0.00	(\$4,800)
Equipment Repair	\$2,815	\$4,572	\$1,400	\$4,534.75	\$3,135		\$11,291	\$12,218	\$16,100.00	\$22,347.87	\$6,248
Equipment Rental	\$0	\$46	\$50	\$0.00	(\$50)		\$0	\$209	\$350.00	\$359.03	\$9
Course Accessories	\$159	\$632	\$250	\$1,142.63	\$893		\$2,710	\$1,298	\$1,700.00	\$1,906.84	\$207
Fertilizer	\$3,985	\$6,249	\$4,000	\$2,662.58	(\$1,337)		\$10,431	\$13,032	\$11,500.00	\$9,974.81	(\$1,525)
Fuel & Lubricants	\$3,164	\$348	\$2,500	\$1,670.40	(\$830)		\$12,052	\$8,805	\$10,000.00	\$11,438.40	\$1,438
Irrigation Repair	\$191	\$722	\$375	\$335.66	(\$39)		\$2,082	\$3,045	\$3,000.00	\$2,116.11	(\$884)
Landscape Supplies	\$550	\$0	\$50	\$0.00	(\$50)		\$550	\$251	\$300.00	\$0.00	(\$300)
Misc.	\$232	\$144	\$200	\$144.32	(\$56)		\$1,242	\$1,010	\$1,200.00	\$1,010.24	(\$190)
Sand & Soil	\$839	\$0	\$600	\$687.50	\$88		\$1,316	\$121	\$1,400.00	\$1,817.24	\$417

Hidden Falls G.C.

Profit Loss

FY 2013

	FY2011	FY2012	FY2013	FY2013	FY13		FY2011	FY2012	FY2013	FY2013	FY13
	May	May	May	May	April		YTD	YTD	YTD	YTD	YTD
	Actual	Actual	Budget	Actual	Var.	%	Actual	Actual	Budget	Actual	Var.
Seed & Sod	\$0	\$0	\$0	\$0.00	\$0		\$8,187	\$4,674	\$7,000.00	\$5,265.16	(\$1,735)
Small Tools	\$169	\$858	\$150	\$683.95	\$534		\$1,448	\$1,516	\$1,200.00	\$1,263.65	\$64
Supplies	\$530	\$435	\$350	\$422.19	\$72		\$3,024	\$2,527	\$2,550.00	\$2,706.93	\$157
Tree & Shrub	\$0	\$0	\$1,000	\$0.00	(\$1,000)		\$0	\$0	\$1,200.00	\$0.00	(\$1,200)
Utilities - Bldg.	\$166	\$118	\$200	\$109.81	(\$90)		\$1,002	\$1,200	\$1,340.00	\$875.83	(\$464)
Utilities - Irrigation	\$937	\$126	\$400	\$114.18	(\$286)		(\$432)	\$1,231	\$1,800.00	\$124.20	(\$1,676)
Utilities - LCRA	\$0	\$0	\$2,000	\$473.62	(\$1,526)		\$4,433	\$7,878	\$11,000.00	\$4,161.91	(\$6,838)
Utilities - Sewer/Water	\$373	\$357	\$250	\$198.37	(\$52)		\$1,616	\$1,431	\$2,000.00	\$1,602.47	(\$398)
Vehicle Repair	\$8	\$0	\$25	\$0.00	(\$25)		\$8	\$0	\$200.00	\$0.00	(\$200)
Total Maint. Expenses	\$36,995	\$27,513	\$28,750	\$29,635.24	\$885	3.08%	\$226,759	\$174,388	\$196,690.00	\$187,846.47	(\$8,844)
<u>F & B Expenses</u>											
Wages	\$6,518	\$8,139	\$7,000	\$7,491.05	\$491		\$56,128	\$55,149	\$55,400.00	\$61,443.84	\$6,044
Payroll Tax	\$460	\$449	\$400	\$492.59	\$93		\$3,827	\$3,371	\$3,240.00	\$3,887.41	\$647
Contract Labor	\$1,060	\$1,599	\$1,500	\$783.50	(\$717)		\$13,434	\$16,300	\$13,500.00	\$7,445.47	(\$6,055)
Beer/Wine	\$2,019	\$2,596	\$2,400	\$2,306.47	(\$94)		\$19,347	\$18,221	\$18,200.00	\$16,006.61	(\$2,193)
Beverage	\$68	\$463	\$400	\$71.77	(\$328)		\$2,265	\$2,965	\$2,700.00	\$2,552.68	(\$147)
Liquor	\$440	\$425	\$450	\$650.57	\$201		\$4,717	\$3,988	\$4,450.00	\$4,196.77	(\$253)
Food	\$3,131	\$3,515	\$4,000	\$3,162.64	(\$837)		\$29,531	\$29,002	\$29,000.00	\$27,416.66	(\$1,583)
Linen	\$739	\$703	\$600	\$274.92	(\$325)		\$4,012	\$4,062	\$4,300.00	\$2,841.90	(\$1,458)
Other Supplies	\$497	\$775	\$900	\$489.16	(\$411)		\$5,204	\$7,541	\$6,300.00	\$5,769.34	(\$531)
Equipment Repair	\$0	\$0	\$50	\$0.00	(\$50)		\$0	\$0	\$400.00	\$0.00	(\$400)
Equipment Rental	\$61	\$151	\$75	\$75.78	\$1		\$507	\$333	\$600.00	\$530.01	(\$70)
Licenses & Permits	\$0	\$0	\$0	\$0.00	\$0		\$1,628	\$1,276	\$1,400.00	\$1,275.50	(\$125)
Music	\$0	\$200	\$100	\$0.00	(\$100)		\$100	\$600	\$750.00	\$200.00	(\$550)
Propane	\$0	\$756	\$400	\$525.00	\$125		\$4,750	\$3,316	\$3,400.00	\$2,669.50	(\$731)
Television	\$22	\$22	\$25	\$19.94	(\$5)		\$198	\$181	\$200.00	\$184.06	(\$16)
Utilities - Electric	\$813	\$722	\$850	\$622.72	(\$227)		\$5,460	\$5,465	\$6,300.00	\$5,169.38	(\$1,131)
Utilities - Water/Sewer	\$0	\$0	\$25	\$0.00	(\$25)		\$0	\$0	\$200.00	\$0.00	(\$200)
Total F & B Expenses	\$15,827	\$20,514	\$19,175	\$16,966.11	(\$2,209)	-11.52%	\$151,107	\$151,769	\$150,340.00	\$141,589.13	(\$8,751)

Hidden Falls G.C.
Profit Loss
FY 2013

	FY2011 May Actual	FY2012 May Actual	FY2013 May Budget	FY2013 May Actual	FY13 April Var.	%		FY2011 YTD Actual	FY2012 YTD Actual	FY2013 YTD Budget	FY2013 YTD Actual	FY13 YTD Var.
<u>Pool Expenses</u>												
Wages	\$127	\$47	\$500	\$0.00	(\$500)			\$937	\$47	\$500.00	\$0.00	(\$500)
Payroll Tax	\$1	\$4	\$60	\$0.00	(\$60)			\$1	\$4	\$60.00	\$0.00	(\$60)
Contract Labor	\$284	\$0	\$200	\$0.00	(\$200)			\$284	\$0	\$200.00	\$0.00	(\$200)
Repair & Maint.	(\$375)	\$500	\$600	\$625.00	\$25			\$1,425	\$3,796	\$3,000.00	\$2,075.00	(\$925)
Supplies	(\$189)	\$437	\$300	\$160.48	(\$140)			\$583	\$1,146	\$1,700.00	\$717.52	(\$982)
Total Pool Expenses	(\$152)	\$988	\$1,660	\$785.48	(\$875)	-52.68%		\$3,230	\$4,993	\$5,460.00	\$2,792.52	(\$2,667)
<u>Tennis Expenses</u>												
Repair & Maint.	\$134	\$0	\$40	\$0.00	(\$40)			\$134	\$263	\$335.00	\$0.00	(\$335)
Supplies	\$0	\$0	\$40	\$0.00	(\$40)			\$0	\$63	\$335.00	\$163.30	(\$172)
Total Tennis Expenses	\$134	\$0	\$80	\$0.00	(\$80)	-100.00%		\$134	\$326	\$670.00	\$163.30	(\$507)
<u>Operational Expenses</u>												
Loan Principal Payable	\$2,490	\$0	\$1,000	\$1,000.00	\$0			\$19,802	\$4,000	\$8,000.00	\$8,000.00	\$0
Capital Expenditures	\$0	\$0	\$0	\$0.00	\$0			\$0	\$0	\$4,000.00	\$0.00	(\$4,000)
Total Oper. Expenses	\$2,490	\$0	\$1,000	\$1,000.00	\$0	0.00%		\$19,802	\$4,000	\$12,000.00	\$8,000.00	(\$4,000)
Total Expenses	\$90,812	\$78,380	\$81,987	\$79,169	(\$2,817)	(\$2)		\$658,153	\$597,552	\$636,948	\$610,012	(\$26,936)
Net Income / Loss	(\$1,867)	\$8,993	\$8,339	\$8,179.17	(\$160)	-1.92%		\$7,569	\$52,954	\$26,943.88	\$6,600.56	(\$20,343)

**Hidden Falls G.C.
Cash Flow Budget
FY 2013**

	Actual Feb. '13	Budget Mar. '13	Actual Mar. '13	Budget Apr. '13	Actual Apr. '13	Budget May '13	Actual May '13	Budget Jun. '13	Actual Jun. '13
<i>Beginning Cash</i>	\$8,213.93	\$20,000.50	\$3,294.77	\$35,001.00	\$19,261.26	\$50,001.00	\$38,274.74	\$58,001.00	\$36,769.71
<i>Cash Inflows</i>									
<i>Golf Revenue</i>	\$51,001.60	\$77,166.00	\$74,137.59	\$71,267.00	\$60,587.29	\$69,266.00	\$69,148.41	\$66,367.00	
<i>F & B Revenue</i>	\$16,897.86	\$17,200.00	\$17,480.73	\$22,900.00	\$16,389.64	\$19,400.00	\$16,639.01	\$17,600.00	
<i>Swim/Tennis Rev</i>	\$453.00	\$100.00	\$195.00	\$150.00	\$145.00	\$1,650.00	\$1,559.00	\$1,550.00	
<i>Other</i>	<u>\$0.33</u>	<u>\$10.00</u>	<u>\$0.42</u>	<u>\$10.00</u>	<u>\$1.53</u>	<u>\$10.00</u>	<u>\$2.22</u>	<u>\$10.00</u>	
<i>Total Inflows</i>	\$68,352.79	\$94,476.00	\$91,813.74	\$94,327.00	\$77,123.46	\$90,326.00	\$87,348.64	\$85,527.00	
<i>Cash Before Outflows</i>	\$76,566.72	\$114,476.50	\$95,108.51	\$129,328.00	\$96,384.72	\$140,327.00	\$125,623.38	\$143,528.00	
<i>Cash Outflows</i>									
<i>Expenses</i>	\$64,456.96	\$74,000.00	\$67,891.23	\$90,000.00	\$67,456.92	\$80,000.00	\$85,355.76	\$80,000.00	
<i>Debt Service</i>	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	
<i>Cap. Ex.</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
<i>Payables</i>	\$7,814.99	\$5,163.00	\$7,593.77	-\$11,673.00	-\$10,346.94	\$1,326.00	\$2,497.91	\$3,214.00	
<i>Prepays</i>	<u>\$0.00</u>	<u>-\$687.50</u>	<u>-\$637.75</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>-\$687.50</u>	
<i>Total Outflows</i>	\$73,271.95	\$79,475.50	\$75,847.25	\$79,327.00	\$58,109.98	\$82,326.00	\$88,853.67	\$83,526.50	
<i>Ending Cash</i>	\$3,294.77	\$35,001.00	\$19,261.26	\$50,001.00	\$38,274.74	\$58,001.00	\$36,769.71	\$60,001.50	

City of Meadowlakes

Agenda Item-VI-B

Items for Consideration

City Council Meeting

June 11, 2013

Date: *June 5, 2013, 2013*

To: *Honorable Mayor Williams and Council Persons*

From: *Johnnie Thompson, City Manager*

Agenda Item: *VI-B-Water Storage Tank Project*

Requested Council Agenda Date: *May 14, 2013*

Contact Name & Number: *Johnnie Thompson, City Manager*

1. Place On: ☐ *Consent* ☐ *New Business* ☒ *Old Business*

2. Budget Impact Statement Attached: ☐ *Yes* ☐ *No* ☒ *N/A*

3. Original Copies of Documents Approved to from by City Attorney?

☐ *Yes* ☐ *No* ☒ *N/A*

4. Background:

Today (Wednesday) Mike and I met with the engineer and contractor for a pre-construction meeting. The contractor anticipates work to begin in December and completed in about 7 to 8 weeks. This would allow the tank to be online by the watering season of 2014. There is a chance that the construction time would be moved up depending on the contractors work schedule. They have until January 15, 2014 to complete the tank.

Mike or I will keep you updated as the project moves along.

City of Meadowlakes

Agenda Item-VI-C

Items for Consideration

City Council Meeting

June 11, 2013

Date: *June 5, 2013, 2013*

To: *Honorable Mayor Williams and Council Persons*

From: *Johnnie Thompson, City Manager*

Agenda Item: *VI-C-Banking Services*

Requested Council Agenda Date: *May 14, 2013*

Contact Name & Number: *Johnnie Thompson, City Manager*

- 1. Place On:** ☐ *Consent* ☐ *New Business* ☒ *Old Business*
2. Budget Impact Statement Attached: ☐ *Yes* ☐ *No* ☒ *N/A*
3. Original Copies of Documents Approved to from by City Attorney?
☐ *Yes* ☐ *No* ☒ *N/A*
-

4. Background:

Please find attached for your review and consideration a draft of an RFP for banking services. As we briefly discussed at your meeting last month the Local Government Code that regulates the operation of a municipality in Texas states "The City Council of every municipality shall designate, by an order recorded in its meeting, the bank, credit union, or savings association which will serve as the depository for the municipality's funds." The Code also states that a depository agreement cannot exceed five years in length, which means that the Council should either extend an existing agreement or solicit applications for depository at least every five years. The Code has some very specific policies and procedures for an institution to be considered as a depository.

5. Recommendation:

I recommend that you authorize me to solicit requests for proposal for banking services as referenced in the attached RFP and I will adjust the due date on the RFP accordingly whether we have a council meeting or not.

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The City of Meadowlakes is requesting proposals for a banking services contract to be awarded on or about August 13, 2013, with service to begin October 1st, 2013 and extend through September 30, 2016. Through this contract the City intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities. This Request for Proposal (RFP) represents the cash management goals, specifies all banks required qualifications, the banking services required, the estimated activity volume on all accounts, the method and terms of compensation, submission instructions and the contract award provisions.

To assure a close working relationship, to facilitate available services, and to support local business, the entity may give priority to those banks with full service capabilities within the City limits of the City of Marble Falls, Texas. Any required statement regarding equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

In order to fully and equitably evaluate each bank's ability to meet the banking service needs of the City, a standard reply format is required. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

Three (3) hard copies of the proposal shall be submitted in a sealed envelope and clearly marked "**Depository Proposal Due July 30, 2013**" addressed and delivered to:

Johnnie Thompson
City Manager
177 Broadmoor Street
Meadowlakes, Texas 78654

Proposals must be received by 2:00 p.m. on Tuesday July 30, 2013 at the address above.

Facsimile or electronic submissions will not accepted for consideration.

3. RFP Questions

Questions regarding the RFP or the service requested will be accepted in written form at the address below on or before 3:00 pm July 25th, 2013. Responses to all material questions submitted will be communicated to each prospective bidder.

*Johnnie Thompson, City Manager
177 Broadmoor Street
Meadowlakes, Texas 78654
830.693.6840 Fax 830.693-2124
Email: jthompson@meadowlakestexas.org*

4. Request for Proposal Amendments

Modifications or additions may be made as a result of questions submitted. Written notification of any such change will be made in writing to all known bidders.

5. Selection Criteria

Evaluation proposals will be made on the basis of the following objectives, not necessarily in the order given:

- *Cost of Service*
- *Convenience of banking services, electronic as well as lobby/backroom services.*
- *Responsiveness to the needs of the City, both in the time required to complete transactions and in the scope of the services offered.*

6. Award of Bid and Service Initiation

It is anticipated that the contract is to be awarded by City Council at its meeting August 13, 2013.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

All banking institutions (bank) must provide, as part of the proposal:

- *-audited financial statements for the most recent fiscal year,*
- *-a copy of the current call report, and*
- *-a statement regarding any recent or foreseen merger or acquisition*

IV. REQUIRED BANKING SERVICES

This section lists all the services to be provided by the bank under this agreement. Attachment "A" lists each of these services. The bank should use this Attachment to provide the specific price for each service.

91
92 *A. Consolidated Account Structure*

93 *The City's banking structure currently consists of several checking accounts*
94 *and multiple savings style accounts. The checking accounts are utilized for*
95 *all payables of the City, and the savings style accounts are used to manage*
96 *the monies of various funds and debt service obligations. The City desires*
97 *that all accounts be interest bearing.*
98

99 *B. Wire Transfer Services*

100 *The City currently may occasionally require wire transfer of funds and the*
101 *City will require adequate security provisions and procedures. If the wire*
102 *transfers requests are available online, full information should be submitted*
103 *detailing the use.*
104

105 *C. Automated Daily Balance Reporting*

106 *The City requires an automated PC-based reporting system for access to the*
107 *closing ledger and available balances. Stipulate the time at which the access*
108 *is available and describe the system to be used. Reporting should include*
109 *balance and detail reporting. Samples of the reports are to be included in the*
110 *proposal.*
111

112 *D. Standard Deposit Services*

113 *The bank must guarantee immediate credit on all incoming wire transfers*
114 *and on all other checks based on the bank's published availability schedule.*
115

116 *The City does not currently use remote deposit capture. However, the City*
117 *desires to utilize such services provided software, hardware and output are*
118 *cost effective. The City desires services that will offer the latest in check*
119 *technology that will convert paper checks to electronic transactions at the*
120 *point-of-sale to improve cash flow, minimize reconciliation efforts, reduce*
121 *bank fees, and reduce returned checks. Bank capability to meet the following*
122 *requirements must be detailed in the proposal.*
123

- 124 *▪ Allow for check deposits to be processed as image replacement*
125 *documents, ACH, or both.*
- 126 *▪ Deposit batches must appear as a single credit to the bank statement*
127 *for reconciliation purposes.*
- 128 *▪ Must be able to scan standard-size checks and payment coupons.*
- 129 *▪ Must have the flexibility to include discretionary data fields for the*
130 *input of customized information.*
- 131 *▪ Must have reporting capabilities for standardized deposit reports.*
- 132 *▪ Images of payments and coupons must be accessible for online*
133 *viewing up to 180 days.*
- 134 *▪ Allow for same day modification to add new users, change*
135 *authorization levels, and delete users.*

- *Provide an explanation of services; identify reduction/increase in fees for this service to those identified in **Attachment B. Services and Fees** for traditional deposit services, cost of hardware, and cost of implementation and training.*

E. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation.

F. Online Banking

The bank shall offer Internet access for the inquiry of account balances and activity for all bank accounts. This access should be available by use of varying City issued passwords with the ability to restrict password activities. The bank shall offer online transfer of City monies between accounts held within the institution. Said transfer shall be completed credited and debited to the related account on the same business day of the transfer, if said request is received by 5:00 p.m.

G. Investment of Idle Funds and Safekeeping of City Securities

All certificates of deposit bought by the City will be bought on a competitive basis. The City has no obligation to invest its funds with or through the bank.

All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. There will be approximately ten securities in safekeeping at any time. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangements will be stipulated in the proposal.

H. Account Executive

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the City's account.

I. Direct Deposit

Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks.

J. Daylight Overdraft Provisions

Every effort will be made to eliminate daylight overdraft situations on the account. However, in case this situation does arise, the proposal should

include any and all bank policies regarding daylight overdrafts charges or handling procedures.

K. Stop Payments

The proposal must include a statement on the proposed stop payment process on an automated or manual basis.

L. Collateralization of Deposits

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit of \$100,000. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with the City and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 102% and marked to market at least once a month. Control will be shared jointly between the bank and the City. Substitution will be approved by the City and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral.

M. Additional Services

If new services become available and are provided during the period of this contract, they will be charged at the banks then published rate.

V. INVESTMENT POLICY RECEIPT CERTIFICATION

The City's currently adopted investment policy is attached as **Attachment "C" City of Meadowlakes Investment Policy**. A duly authorized officer of the bank shall execute certification of receipt of the City's investment policy on page 7 of the policy.

VI. OTHER SERVICES

The City may desire to participate in other services at a future date. These services will be negotiated as part of a separate agreement.

VII. BANK COMPENSATION

Any net settlement on compensating balances will be made annually. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.

VIII. Other Stipulations

1. The successful bidder shall notify the City in writing within ten (10) days of any changes in federal or state regulations or law that would affect the

226 *depository agreement. The bank shall also notify the City of any services*
227 *which become available to the City throughout the contract period.*

228 *2. The City reserves the right to negotiate all elements which comprise the*
229 *proposal to ensure the best possible consideration be afforded all concerned.*
230 *The City reserves the right to reject any and all proposals and to re-*
231 *advertise for proposals in such event.*

232 *3. All checks deposited by the City which do not clear the first time, should*
233 *be submitted a second time before returning them to the City.*

234 *4. The bank's records relating to the City of Meadowlakes accounts shall be*
235 *open to review by City staff or City appointed independent auditors during*
236 *normal business hours.*

237 *5. It is understood that if any portion or provision of this bid and/or any*
238 *contract between the Bidder and the City be determine to be invalid, the*
239 *remainder of this bid or resulting contract shall remain in full force and effect*
240 *and not be affected by said invalid portion or provision.*

241 *6. The contract shall be automatically extended up to 60-days if the City is*
242 *activity proceeding with re-bidding procedures but for whatever reason,*
243 *cannot finalize the selection process by the end of the contract period.*

244 *7. The City reserves the right to invest any and all funds through the*
245 *successful bidder or through Investment Brokers in investments authorized*
246 *in Section 105.001 and investment policy of the City of Meadowlakes.*

Attachment "A"
Account Information

1. *Interest-bearing demand deposits accounts with unlimited checks currently being utilized:*

Approximate checks annually

General Fund	325
Utility Fund	650
Payroll	60
Recreation Fund	25

2. *Interest-bearing accounts with limited checks currently being utilized:*

Construction Fund	24
Debt Service Fund	2
Interest and Sinking Fund	2
General Fund Money Market	0
Utility Fund Money Market	0

Total Checks Annually 1088

3. *Electronic Funds Transfers-the City has approximately 125 inter-fund transfers annually.*

4. *Wire Transfers occur only occasionally.*

5. *Deposits by:*

Approximate deposits annually

Utility Fund	500
General Fund	60
Payroll	30 (all inter-fund transfers)
Debt Service Fund	40
Interest and Sinking Fund	12

Total Deposits Annually 642

6. *Total Cash on deposit as of June 1, 2013:*

General Fund	\$ 401,034
Utility Fund	\$ 495,726
Debt Service Fund	\$ 328,071
Construction Fund	\$ 287,142
Total Deposits	\$1,546,373

Attachment "B"
Schedule of Fees and Services
Bid Document

The City desires an equitable reimbursement arrangement for the banking services provided. A direct fee basis for services provided by the bank with an offsetting earning credit for available balances is the method preferred by the City.

The bank agrees to pay the City as follows for demand deposits during the three year life of this contract:

1. Interest-bearing accounts with unlimited checks, a \$_____ minimum balance is required, interest based on 26-week US Treasury Bill discount auction rate quoted in most recent Wall Street Journal, compounded daily and paid monthly. The account shall begin earning interest from the date of deposit. The City currently has four (4) such accounts. Interest earning will be _____ basis points over/under or a fixed rate of _____%. Minimum guaranteed interest rate of _____%.

2. Interest-bearing accounts with limited checks, a \$_____ minimum balance is required, (unlimited transfers from account to account allowed), interest based on 26-week US Treasury Bill discount auction rate quoted in most recent Wall Street Journal, compounded daily and paid monthly. The account shall begin earning interest from the date of deposit. The City currently has five (5) such accounts. Interest earning will be _____ basis points over/under or a fixed rate of _____%. Minimum guaranteed interest rate of _____%.

3. Saving accounts: _____% fixed rate interest, compounded daily and paid monthly. Saving accounts will earn interest from the date of deposit to the date of withdrawal. The City will determine the number of accounts.

4. Time Deposits:

i) For time deposits in amounts less than \$100,000, interest based on 26-week US Treasury Bill discount auction rate quoted in most recent Wall Street Journal, compounded monthly:

<i>Basis points over/under</i>				<i>Fixed Rate</i>
<i>7-</i>	<i>29 days @</i>	<i>_____</i>	<i>or</i>	<i>_____%</i>
<i>30-</i>	<i>59 days @</i>	<i>_____</i>	<i>or</i>	<i>_____%</i>
<i>60-</i>	<i>89 days @</i>	<i>_____</i>	<i>or</i>	<i>_____%</i>
<i>90-</i>	<i>179 days @</i>	<i>_____</i>	<i>or</i>	<i>_____%</i>
<i>180-</i>	<i>359 days @</i>	<i>_____</i>	<i>or</i>	<i>_____%</i>

ii) For time deposits in amounts exceeding \$100,000, interest based on 26-week US Treasury Bill discount auction rate quoted in most recent Wall Street Journal, compounded monthly:

	Basis points over/under		Fixed Rate
7- 29 days @	_____	or	_____ %
30- 59 days @	_____	or	_____ %
60- 89 days @	_____	or	_____ %
90- 179 days @	_____	or	_____ %
180-359 days @	_____	or	_____ %

Minimum guaranteed interest rate _____ %

(The remainder of this page intentionally left blank)

Bidder's charges for services and supplies required by the City are as follows. If service is unavailable please mark "N/A" in the blank. If there is no charge for service, please mark "N/C" in the blank. Note: All costs to be stated as monthly service fees unless otherwise noted.

<i>Description</i>	<i>Fee (if any)</i>	<i>Note(s)</i>
<i>Monthly Account Balance</i>		
<i>Checks Paid</i>		
<i>Deposited Items</i>		
<i>Cash Deposits</i>		
<i>Return Items</i>		
<i>ACH Base Charge</i>		
<i>ACH Transmission Charge</i>		
<i>ACH Returns</i>		
<i>Wire Transfers-Repetitive</i>		
<i>Wire Transfers-Incoming</i>		
<i>PC Banking 1st Account</i>		
<i>PC Banking Addt'l Accounts</i>		
<i>Stop Payments</i>		
<i>NSF Checks</i>		
<i>Internet Deposit Fees</i>		
<i>Furnish Cashier's Checks</i>		
<i>Cash City Payroll Checks</i>		
<i>Remote Deposit Capture</i>		
<i>Software & Hardware</i>		
<i>Training & Support</i>		
<i>Transaction Fee</i>		
<i>Web Banking -Access</i>		
<i>Web Banking-Transfers</i>		

388
389 **Submitting Financial Institution:** _____
390
391 **Date:** _____
392
393 **Bidder:** _____
394
395 **Executed by:** _____
396
397 **Print Name:** _____
398
399 **Title:** _____
400
401 **Authorized Representative:** _____
402
403 **Phone:** _____
404
405 **Email Address:** _____
406
407 **Address:** _____
408
409 **City:** _____ **Texas Zip:** _____
410
411

Request for Proposal Banking Services
July 9, 2013
Exhibit "C"

CITY OF MEADOWLAKES
INVESTMENT POLICY

ADOPTED THE 9th DAY OF October, 2012 .

I. POLICY STATEMENT

It is the policy of the City of Meadowlakes (City) that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the City to be in complete compliance with local law and the Texas Public Funds Investment Act (the "Act"). The earnings from investment will be used in a manner that best serves the interests of the City.

II. SCOPE

This investment policy applies to all the financial assets and funds of the City. The City commingles its funds into one pooled investment fund for investment purposes for efficiency and maximum investment opportunity. These funds are defined in the City's Comprehensive Annual Financial Report (CAFR) as the General Fund. And any new funds created by the City unless specifically exempted by the City Council and this policy.

III. OBJECTIVES AND STRATEGY

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high-grade government investments and high-grade money market instruments, is designed to assure the marketability of those investments should liquidity needs arise. To match anticipated cash flow requirements the maximum weighted average maturity of the overall portfolio may not exceed six months.

Safety of Principal

Safety of principal is the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Liquidity

The City's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

Diversification

Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase.

Yield

The City's investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the City's risk constraints and the cash flow needs of the portfolio. "Market rate of return" may be defined as the average yield of the current six month U.S. Treasury Bill.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as a process of managing monies in order to ensure maximum cash availability. The City shall maintain a comprehensive cash management program which includes prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specified collateral requirements for all public funds deposits. All investments will be made in accordance with these statutes.

V. DELEGATION OF INVESTMENT AUTHORITY

The City Manager, acting on behalf of the City, is designated as the Investment Officer of the City and is responsible for investment management, decisions and activities. The City Manager is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include reference to safekeeping, require and include the "Bond Market Master Repurchase Agreements" (as applicable), wire transfer agreements, banking services contracts, and other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.

Authorization Resolution

A Trading Resolution is established with this investment policy and attached hereto, authorizing the Investment Officer to engage in investment transactions on behalf of the City. The persons authorized by the Trading Resolution to transact business for the City are also authorized to approve wire transfers used in the process of investing.

VI. PRUDENCE

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the City. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the City. All trade transactions that is (by ourselves) shall be reviewed for compliance with the investment policy by a separate government official as assigned by procedures prior to the officer executing the trade.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the

Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

VIII. AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below and as further described by the Public Funds Investment Act.

A. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed two years to stated maturity, excluding collateralized mortgage obligations (CMO's).

B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas and under the terms of the written depository agreement with that bank, not to exceed one year to stated maturity.

C. Repurchase agreement and reverse repurchase agreements as defined by the Act, not to exceed 180 days to stated maturity, provided an executed Bond Market Master Repurchase Agreement is on file with the City and the counterparty bank or primary dealer. Flex repurchase agreements used specifically for capital projects may extend beyond two years but only to match the expenditure plan of the projects.

D. No-load, SEC registered money market funds, each approved specifically before use by the City.

E. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act; and

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this policy has been amended and the amended version approved by the City Council.

Competitive Bidding Requirement

All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the City is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by the City, shall be conducted on a delivery versus payment (DVP) basis.

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments made by the City will be made through either the City's banking services bank or a primary dealer. The Investment Committee will review the list of authorized broker/dealers annually. A list of at least three broker/dealers will be maintained in order to assure competitive bidding.

Securities broker/dealers must meet certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:

- provision of an audited financial statement each year*
- proof of certification by the National Association of Securities Dealers (NASD) and provision of CRD number*
- proof of current registration with the State Securities Commission, and*
- completion of a City questionnaire*

Every broker/dealer and bank with which the City transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification stating that the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to the City.

X. DIVERSIFICATION AND MATURINTY LIMITATIONS

It is the policy of the City to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

<i>Security Type</i>	<i>Max % of Portfolio</i>
<i>U.S. Treasury obligations</i>	<i>100%</i>
<i>U.S. Government agencies and instrumentalities</i>	<i>not to exceed 50%</i>
<i>Fully insured or collateralized CDs</i>	<i>not to exceed 30%</i>
<i>Repurchase Agreements</i>	<i>100%</i>
<i>Money Market Funds</i>	<i>100%</i>
<i>For Bond Funds</i>	<i>80%</i>
<i>Local Government Investment Pools</i>	
<i>Liquidity Pools</i>	<i>100%</i>
<i>Maximum percent ownership of pool</i>	<i>not to exceed 20%</i>
<i>For Bond Funds</i>	<i>not authorized</i>

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investment with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not invest more than 20% of the portfolio for a period greater than one (1) year. Unless matched to a specific requirement, the Investment Officer may not invest any portion of the portfolio for a period greater than two (2) years.

XI. SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a deliver versus payment basis and be held

in safekeeping by either the City, an independent third party financial institution, or the City's designated banking services depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

All securities pledged to the City of certificated of deposit or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from with the securities are pledged.

Collateralization

Collateralization on time and demand deposits over the FDIC insurance coverage of \$100,000, and repurchase agreements.

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

The Investment Officer shall submit monthly to the City Manager and quarterly reports to the City Council containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and consistent with statutory requirements. All reports shall be in compliance with the Act. Market prices for market evaluations will be obtained from an independent source.

XIII. DEPOSITORIES

The City will designate one banking institution through a competitive process as its central banking services provider at least every three years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. Other banking institutions from which the City may purchase certificate of deposit will also be designated as a depository after they provide their latest audited financial statements to the City.

XIV. INVESTMENT POLICY ADOPTION BY COUNCIL

The City's Investment Policy shall be adopted annually by the Board. The policy and strategies shall be reviewed on an annual basis by the Council or a designated Committee of the Council. A written resolution approving that review and changes to the policy from the review will be passed and recorded by the Board.

**TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION**

This certification is executed and delivered to City of Meadowlakes (City) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), in connection with investment transactions conducted between the City and _____ (the "Business Organization")

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

- 1. The undersigned is a Qualified Representative of the Business Organization offering to enter into an investment transaction with the City;*
- 2. The undersigned Qualified Representative of such Business Organization has received and reviewed the investment policy of the City;*
- 3. The Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the Business Organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent upon an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.*

Name of Business Organization

Signature of Qualified Representative

Printed Name: _____

Title: _____

Date: _____

City of Meadowlakes

Agenda Item-VI-D

Items for Consideration

City Council Meeting

June 11, 2013

Date: *June 5, 2013, 2013*

To: *Honorable Mayor Williams and Council Persons*

From: *Johnnie Thompson, City Manager*

Agenda Item: *VI-D-Ordinance 2013-03 Refinancing of portion of the City's existing bonds*

Requested Council Agenda Date: *May 14, 2013*

Contact Name & Number: *Johnnie Thompson, City Manager*

1. Place On: ☐ Consent ☒ New Business ☐ Old Business

2. Budget Impact Statement Attached: ☐ Yes ☐ No ☒ N/A

3. Original Copies of Documents Approved to from by City Attorney?

☒ Yes ☐ No ☐ N/A

4. Background:

Attached for your review is Ordinance 2013-03 which is related to the refinancing of a portion of the City's bonds as was discussed last month during our workshop. The documents are currently under review by our legal counsel and it is hoped that she will have her comments to me by your meeting date; as soon as I have them I will forward them. Representatives from Wells Nelson & Associates will be attending the meeting to answer any questions you may have and update you on the current market.

5. Recommendation:

Subject to legal review I recommend that the Ordinance be approved. If legal counsel has not provided her review then I would recommend that the Ordinance be adopted subject to counsels approval.

ORDINANCE NO. 2013-03

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF MEADOWLAKES, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013; AUTHORIZING A PRICING OFFICER TO APPROVE THE AMOUNT, THE INTEREST RATES, PRICE, REDEMPTION PROVISIONS AND TERMS THEREOF AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATED THERETO; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; AND CONTAINING OTHER MATTERS RELATED THERETO

WHEREAS, the City of Meadowlakes, Texas (the “City”) has heretofore issued and now desires to refund in advance of their maturities all or a portion of the obligations described in Exhibit A to this Ordinance (collectively, the “Refunding Candidates”), subject to certain parameters set forth herein; and

WHEREAS, the City is authorized by Chapter 1207, Texas Government Code, as amended (“Chapter 1207”), to issue refunding bonds for the purpose of refunding the Refunded Obligations (hereinafter defined) and to accomplish such refunding by depositing directly with any place of payment for the Refunded Obligations or a trust company or commercial bank the proceeds from the sale of such refunding bonds, together with any other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and pursuant to Chapter 1207 such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

WHEREAS, it is hereby found and determined that the refunding must result in a gross savings and a present value savings to the City, as herein provided, and that such savings are sufficient consideration and constitute the public purpose for the issuance of the refunding bonds herein authorized and the refunding of the Refunded Obligations, and such refunding is in the best interest of the City; and

WHEREAS, pursuant to Section 1207.007, Texas Government Code, as amended, the City desires to delegate the authority to effect the sale of the refunding bonds to the Pricing Officer (hereinafter defined); and

WHEREAS, all of the Refunded Obligations mature or are subject to redemption prior to maturity within twenty (20) years of the date of the refunding bonds herein authorized; and

WHEREAS, upon the issuance of the refunding bonds and the deposit of moneys and investments herein authorized, the Refunded Obligations shall no longer be regarded as being outstanding, except for the purpose of being paid from such moneys and investments, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the order authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated and defeased;

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

Section 1: Definitions; Findings; Titles and Headings.

(a) Unless otherwise expressly provided or unless the context clearly requires otherwise, capitalized terms used in this Ordinance shall have meanings specified in Exhibit B attached hereto.

(b) The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

(c) The titles and heading of the Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 2: Authorization; Principal Amount; Purpose; Designation and Date. The Bonds shall be and are hereby authorized to be issued in the principal amount set forth in the Pricing Officer's Certificate, subject to the limitations set forth in Section 4 of this Ordinance, for the purpose of (i) refunding the Refunded Obligations and (ii) paying the costs of issuance of the Bonds and of refunding the Refunded Obligations. The Bonds shall be issued under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1207. The Bonds shall be designated and shall be dated as provided in the Pricing Officer's Certificate.

Section 3: Fully Registered Obligations; Authorized Denominations; Stated Maturities. The Bonds are issuable in fully registered form only in denominations of \$5,000 or any integral multiple thereof within a stated maturity (unless otherwise provided in the Pricing Officer's Certificate), and the Bonds shall be numbered and mature on the dates, in the years and in the amounts set forth in the Pricing Officer's Certificate. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar. The Bonds shall bear interest from the date or dates and at the rates (which shall be calculated on the basis) set forth in the Pricing Officer's Certificate. Interest on the Bonds shall be payable on each Interest Payment Date, as provided in the Pricing Officer's Certificate.

Section 4: Delegation to Pricing Officer.

(a) As authorized by Section 1207.007, Texas Government Code, the Pricing Officer is hereby authorized to act on behalf of the City Council in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including, without limitation, determining the date on and price at which the Bonds will be sold, the issuance date and dated date therefor, the designation or title by which the Bonds shall be known, the years in which the Bonds will mature, the aggregate principal amount of the Bonds, the principal amount to mature in each year of maturity, the rate or rates of interest to be borne by each such maturity, the Interest Payment Dates and Record Dates

therefor, any redemption provisions applicable thereto (including optional and mandatory sinking fund redemption provisions), the Refunding Candidates that are to be refunded, and all other matters relating to the issuance, sale and delivery of the Bonds (including whether to apply for and procure bond insurance with one or more bond insurers) and the refunding of the Refunded Obligations, including establishing the date or dates of redemption for and effecting the redemption of the Refunded Obligations, all of which shall be specified in the Pricing Officer's Certificate, in the form attached hereto as Exhibit C, with such changes in such form as the Pricing Officer shall determine; provided that:

(i) the aggregate principal amount of the Bonds shall not exceed \$3,500,000;

(ii) the refunding must produce (A) positive gross debt service savings and (B) net present value debt service savings of not less than four percent (4.00%), as shown by a table of calculations prepared by the City's financial advisor and attached to the Pricing Officer's Certificate;

(iii) the true interest rate of the Bonds (expressed as an interest rate and being the rate used to determine the federal income tax arbitrage yield) shall not exceed three percent (3.00%); and

(iv) any finding by a Pricing Officer relating to the sale and delivery of the Bonds and the designation of particular Refunding Candidates to be refunded shall have the same force and effect as a finding or determination made by the City Council.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount, not exceeding the amount authorized in subsection (a) above, which shall be sufficient to provide for the purposes for which the Bonds are authorized and to pay the costs of issuing the Bonds and refunding the Refunded Obligations. The Bonds shall be sold at such price, with and subject to such terms, as set forth in the Pricing Officer's Certificate.

(c) The authority to act on behalf of the City Council in selling Bonds conferred by this Section and to execute a Bond Purchase Agreement pursuant to Section 23 shall expire at 10:00 p.m. on the 180th day following the date of this Ordinance (the "Expiration Date"). Bonds sold pursuant to a Bond Purchase Agreement executed on or before the Expiration Date may be delivered after such date.

Section 5: Terms of Payment; Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The Paying Agent/Registrar for the Bonds is hereby appointed as the registrar and paying agent for the Bonds pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, substantially in the form presented at the meeting at which this Ordinance was adopted, and which is hereby authorized and approved by the City Council and which the appropriate officials of the City are hereby authorized to execute. Books and records relating to the registration, payment, transfer and exchange of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, substantially in the form presented at the meeting at which this Ordinance was adopted, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor is authorized and directed to execute and deliver, and the City Secretary is authorized and directed to attest, such agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the successor Paying Agent/Registrar.

Principal of and premium, if any, on each Bond shall be payable at the stated maturity or the redemption thereof only upon the presentation and surrender thereof to the Paying Agent/Registrar at its designated offices, initially in Houston, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 6: Redemption.

(a) The Bonds shall be subject to redemption as provided in the Pricing Officer's Certificate.

(b) Unless otherwise provided in the Pricing Officer's Certificate, Bonds may be redeemed only in integral multiples of \$5,000 of principal amount. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Bonds for redemption, the Paying Agent/Registrar shall treat each Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond by \$5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 8 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like type, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

(c) Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the City to each Holder of a Bond to be redeemed in whole or in part at the address of such Holder appearing on the Security Register at the close of business on the Business Day next preceding the date of mailing. Such notice shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds outstanding are to be redeemed, the numbers of Bonds or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the Holder receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part and notice of redemption has been given as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded to be outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue or compound after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

(d) With respect to any optional redemption of the Bonds, unless all prerequisites to such redemption required by this Ordinance and the Pricing Officer's Certificate have been met, including moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed having been received by the Paying Agent/Registrar prior to the giving of notice of such redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of all prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, and if such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 7: Ownership; Unclaimed Principal and Interest. The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Holder after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Property Code do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City. The Paying Agent/Registrar shall have no liability to the Holder of any Bond by virtue of actions taken in compliance with this Section.

Section 8: Registration; Transfer and Exchange of Bonds; Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) authorized in Section 13 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same stated maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bond(s) (other than the Initial Bond(s) authorized in Section 13 hereof) may be exchanged for other Bond(s) of authorized denominations and having the same stated maturity, bearing the same rate of interest and of like aggregate principal amount as the Bond(s) surrendered for exchange, upon surrender of the Bond(s) to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bond is surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bond(s) to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same

obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Holder or assignee of the Holder in not more than three (3) business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the Holder or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 18 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

Section 9: Book-Entry Only System. The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 11 hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. 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 Holder at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any other person, other than a Holder, as shown on the Security Register, of any notice with respect to the Bonds, or (c) the payment to

any DTC Participant or any other person, other than a Holder, as shown in the Security Register of any amount with respect to principal of, premium, if any, or interest on the Bonds.

Except as provided in Section 11 of this Ordinance, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Security Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Security Register 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, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Holder shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance.

Section 10: Payments and Notices to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, as long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

Section 11: Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certified Bonds, the City or the Paying Agent/Registrar shall (a) 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 of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (b) notify DTC of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Security Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Holders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 12: Execution; Registration. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals executing the same shall cease to be such officer at the time of delivery of the Bonds to the Underwriter and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in paragraph (c) of the Form of Bond attached to the Pricing Officer's Certificate, manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in paragraph (d) of the Form of Bond attached to the Pricing Officer's Certificate, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

Section 13: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered certificate in the total principal amount stated in the Pricing Officer's Certificate with principal installments to become due and payable as provided therein and numbered T-1, or (ii) as multiple fully registered certificates, being one certificate for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, stated maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

Section 14: Forms. The form of the Bonds, including the form of the 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 (which shall be attached or affixed to the Bonds initially issued) shall be, respectively, substantially as shown in the Pricing Officer's Certificate attached hereto as Exhibit C, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification, including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association ("CUSIP Numbers"), and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Pricing Officer or determined by the officers executing such Bonds, as evidenced by their execution; provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality shall be responsible for CUSIP numbers incorrectly printed or typed on the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the certificate.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all determined by the officers executing such Bonds as evidenced by their execution.

Section 15: Bond Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Bonds, there shall be and is hereby created a special account or fund on the books and records of the City known as the “City of Meadowlakes, Texas, General Obligation Refunding Bonds, Series 2013 Debt Service Fund Fund” (the “Bond Fund”), and all moneys deposited to the credit of the Bond Fund shall be kept and maintained in a special banking account at the City's depository bank. Authorized officials of the City are hereby authorized and directed to make withdrawals from the Bond Fund sufficient to pay the principal of, premium, if any, and interest on the Bonds, as the same become due and payable, and to cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Bond Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Bonds.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Bond Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the “Public Funds Investment Act” (Chapter 2256, Texas Government Code, as amended); provided that all such investments shall be made in such a manner that the money required to be expended from said Bond Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Bond Fund shall be credited to, and any losses debited to, the Bond Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Section 16: Tax Levy.

(a) To provide for the payment of principal of and interest on the Bonds, there is hereby levied, within the limits prescribed by law, for the current year and each succeeding year thereafter, while the Bonds or any part of the principal thereof and the interest thereon remain outstanding and unpaid, an ad valorem tax upon all taxable property within the City sufficient to pay the interest on the Bonds and to create and provide a sinking fund of not less than 2% of the principal amount of the Bonds or not less than the principal payable out of such tax, whichever is greater, with full allowance being made for tax delinquencies and the costs of tax collection, and such taxes, when collected, shall be applied to the payment of principal of and interest on the Bonds by deposit to the Bond Fund and to no other purpose.

(b) The City hereby declares its purpose and intent to provide and levy a tax legally sufficient to pay the principal of and interest on the Bonds, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax.

(c) To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17: Security of Funds. All moneys on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section 18: Mutilated, Destroyed, Lost or Stolen Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Holder of a damaged or mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Paying Agent/Registrar.

If any Bond is lost, apparently destroyed or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Holder of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (a) furnish to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (b) furnish such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;
- (c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (d) meet any other reasonable requirements of the City and the Paying Agent/Registrar.

If, after the delivery of a replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Paying Agent/Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 19: Satisfaction of Obligation of City.

(a) If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the limited pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

(b) The City may defease the provisions of this Ordinance and discharge its obligations to pay the principal of and interest on any or all of the Bonds (a "Defeased Bond") in any manner now or hereafter permitted by law, including by depositing with the Paying Agent/Registrar, a trust company or commercial bank other than the Paying Agent/Registrar, or with the Comptroller of Public Accounts of the State of Texas either:

(i) cash in an amount equal to the principal amount of such Bonds and premium, if any, and interest thereon to the date of maturity or redemption; or

(ii) pursuant to an escrow or trust agreement, cash and/or Government Securities, which (in the case of Government Securities) may be in book-entry form and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of, premium, if any, and interest on such Defeased Bond(s) to their respective date(s) of maturity or earlier redemption;

provided, however, that if any of the Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Upon such deposit, such Bonds shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

(c) Any agreement pursuant to which the money and/or Government Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Government Securities or the substitution of other Government Securities that mature in amounts and at times that will satisfy the requirements specified in subsection (b) above. Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Defeased Bonds, or any principal amount(s) thereof or premium or interest thereon with respect to which such moneys have been so deposited, shall be remitted to the City or deposited as directed by the City.

(d) Any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Section 20: Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 33 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders owning a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

Section 21: Covenants to Maintain Tax-Exempt Status.

(a) The City intends that the interest on the Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, (the "Code") and all applicable temporary, proposed and final regulations (the "Regulations") and procedures promulgated thereunder and applicable to the Bonds. For this purpose, the City covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds (including all property, the acquisition, construction or improvement of which is to be financed directly or indirectly with the

proceeds of the Bonds or the Refunded Obligations) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause the interest on the Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the City shall comply with each of the following covenants:

(i) The City shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(ii) Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times prior to the last stated maturity of the Bonds,

(A) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of such series of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(B) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of such series of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(iii) Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (i) property acquired,

constructed or improved with Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (iii) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(iv) Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Refunded Obligations, directly or indirectly invest Gross Proceeds of such Bonds in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Refunded Obligations.

(v) Based on all of the facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered, the City reasonably expects that the proceeds of the Bonds and the Refunded Obligations (to the extent any of such proceeds remain unexpended) will not be used in a manner that would cause the Bonds or the Refunded Obligations or any portion thereof to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(vi) At all times while the Bonds are outstanding, the City will identify and properly account for all amounts constituting gross proceeds of the Bonds in accordance with the Regulations. The City will monitor the yield on the investments of the proceeds of the Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds. To the extent necessary to prevent the Bonds from constituting “arbitrage bonds,” the City will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Bonds to be less than the yield that is materially higher than the yield on the Bonds.

(vii) The City will not take any action or knowingly omit to take any action, if taken or omitted, would cause the Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.

(viii) The City represents that not more than fifty percent (50%) of the proceeds of any new money portion of the Bonds or any new money issue refunded by, the Refunded Obligations was invested in non-purpose investments (as defined in Section 148(f)(b)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the City reasonably expected at the time each issue of the Refunded Obligations was issued that at least eighty-five percent (85%) of the spendable

proceeds of the Bonds or the Refunded Obligations would be used to carry out the governmental purpose of such Bonds within the corresponding three-year period beginning on the respective dates of the Bonds or the Refunded Obligations.

(ix) The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, if any, be rebated to the federal government. Specifically, the City will

(A) maintain records regarding the receipt, investment and expenditure of the gross proceeds of the Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the City allocable to other obligations of the City or moneys which do not represent gross proceeds of any obligations of the City and retain such records for at least six years after the day on which the last outstanding Bond is discharged,

(B) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid, in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of the gross proceeds,

(C) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds, and

(D) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the City will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, including interest thereon and penalty.

(x) The City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(xi) The City will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of

the Code with respect to the Bonds on such form and in such place as the Secretary may prescribe.

(xii) The City will not issue or use the Bonds as part of an “abusive arbitrage device” (as defined in Section 1.148 10(a) of the Regulations). Without limiting the foregoing, the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the City to exploit the difference between tax exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(xiii) Proper officers of the City charged with the responsibility for issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Bonds and stating whether there are facts, estimates or circumstances that would materially change the City’s expectations. On or after the date of issuance of the Bonds, the City will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(b) The covenants and representations made or required by this Section are for the benefit of the Holders and any subsequent Holder, and may be relied upon by the Holder and any subsequent Holder and bond counsel to the City.

In complying with the foregoing covenants, the City may rely upon an unqualified opinion issued to the City by nationally recognized bond counsel that any action by the City or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds to be includable in gross income for federal income tax purposes under existing law.

Notwithstanding any other provision of this Ordinance, the City’s representations and obligations under the covenants and provisions of this Section 21 shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion of interest on the Bonds from the gross income of the owners for federal income tax purposes.

Section 22: Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. In connection therewith, the City represents (a) that the aggregate amount of tax-exempt obligations issued by the City during calendar year 2013, including the Bonds, which have been designated as “qualified tax-exempt obligations” under section 265(b)(3) of the Code does not exceed \$10,000,000, and (b) that the reasonably anticipated amount of tax-exempt obligations which will be issued by the City during calendar year 2013, including the Bonds, will not exceed \$10,000,000. For purposes of this Section, the term “tax-exempt obligation” does not include “private activity bonds” within the meaning of section 141 of the Code, other than “qualified 501(c)(3) bonds” within the meaning of section 145 of the Code. In addition, for purposes of this Section, the City includes all entities which are aggregated with the City under the Code.

Section 23: Sale of Bonds.

(a) The Bonds shall be sold and delivered to the Underwriters, who shall be designated in the Bond Purchase Agreement, at the price set forth in the Pricing Officer's Certificate and in accordance with the terms of the Bond Purchase Agreement, which the Pricing Officer is hereby authorized and directed to execute on behalf of the City. The Pricing Officer and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

(b) The Pricing Officer and the City's financial advisor and consultants are authorized hereby to take such actions as any such officer, official, advisor or consultant shall approve in seeking ratings on the Bonds from Moody's Investors Service, Fitch Ratings or Standard & Poor's Ratings Services, or any confirmation of such firms, and such actions are hereby ratified and confirmed.

Section 24: Official Statement. The Pricing Officer is hereby authorized to approve, in the name and on behalf of the City, in connection with the sale of the Bonds, the preparation and distribution of a Preliminary Official Statement and a final Official Statement relating to the Bonds to be used by the Underwriter in marketing the Bonds. The appropriate officials of the City are hereby authorized to sign such Official Statement and/or to deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

Section 25: Application of Bond Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied in accordance with the provisions set forth in the Pricing Officer's Certificate.

Section 26: Arrangement for Defeasance of Refunded Obligations. The Pricing Officer may execute and deliver an escrow agreement, a deposit agreement or a similar agreement, a letter of instructions or any other instrument relating to the safekeeping, investment, administration and disposition of moneys deposited to effect the defeasance of the Refunded Obligations in such form and subject to such terms and conditions as the Pricing Officer determines may be necessary or convenient to carry out the intent and purpose of this Ordinance.

Section 27: Redemption of Refunded Obligations. To maximize the City's present value savings and to minimize the City's costs of refunding, the City hereby authorizes and directs that certain of the Refunded Obligations shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in the Pricing Officer's Certificate, and the appropriate officials of the City are hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrars, as appropriate, of such Refunded Obligations, in the manner required by the documents authorizing the issuance of such Refunded Obligations.

Section 28: Purchase of Defeasance Securities. The Pricing Officer and the Escrow Agent are hereby authorized (a) to subscribe for, agree to purchase, and purchase securities that are permitted investments for a defeasance escrow established to defease the Refunded

Obligations, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to direct and provide for such contributions to the escrow fund as are provided in the Escrow Agreement.

Section 29: Control and Custody of Bonds; Further Procedures. The Mayor shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale and delivery of the Bonds and the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and the Mayor shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Underwriter.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, and City Secretary, individually or collectively, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Bonds, including a certification as to facts, estimates, circumstances and reasonable expectations pertaining to the use and expenditure and investment of the proceeds of the Bonds as may be necessary for the approval of the Attorney General and their registration by the Comptroller of Public Accounts. In addition, such officials, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, are authorized and directed to (a) take all other actions that are reasonably necessary to provide for the issuance and delivery of the Bonds and the defeasance, redemption and discharge of the Refunded Obligations, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and the ordinances authorizing the issuance of the Refunded Obligations and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance and (b) make the necessary arrangements for the delivery of the Initial Bond(s) to the Underwriter and the initial exchange thereof for definitive Bonds.

Section 30: Notices to Holders; Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 31: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly

cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

Section 32: Engagement of Bond Counsel; Bond Counsel's Opinion. The engagement of Andrews Kurth LLP, Austin, Texas, as bond counsel for the City in connection with the issuance, sale and delivery of the Bonds is hereby approved, ratified and confirmed; and, the Mayor, the Mayor Pro Tem or the City Manager is hereby authorized to approve, execute and deliver an engagement letter in substantially the form presented to the City Council with this Ordinance, subject to such insertions, additions, deletions, and modifications as shall be approved by such official.

The Underwriter's obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Andrews Kurth LLP, Austin, Texas, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. An executed counterpart of said opinion shall accompany the global certificates deposited with DTC or a reproduction thereof shall be printed on the definitive Bonds in the event the book-entry-only system shall be discontinued.

Section 33: Continuing Disclosure Undertaking.

(a) The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the quantitative financial information and operating data with respect to the City, as determined by the Pricing Officer and identified in the Pricing Officer's Certificate. Financial statements to be provided shall be (1) prepared in accordance with such accounting principles as the City may be required to employ from time to time pursuant to State law or regulation and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the City shall provide unaudited financial statements for the applicable fiscal year to the MSRB with the financial information and operating data and will file the annual audit report when and if the same becomes available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific

reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(b) The City shall notify the MSRB in a timely manner (not in excess of ten (10) business days after the occurrence of the event) of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used in clause (xii) above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the

City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of the City, or if jurisdiction has been assumed by leaving the City Council and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

(c) All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

(d) The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an “obligated person” with respect to the Bonds within the meaning of the: Rule, except that the City in any event will give the notice required by subsection (b) hereof of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

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

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this 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 City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted underwriters to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (i) 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 Bonds consent to such amendment or (ii) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 34: Municipal Bond Insurance. In order to obtain the lowest attainable interest rates on the Bonds, the Pricing Officer is authorized to negotiate and execute a commitment to purchase one or more bond insurance policies for the Bonds. The Pricing Officer is further authorized to provide for the payment of the premium for any such bond insurance policy and to execute and deliver any documents required in connection with the purchase of any such policy. The Pricing Officer's Certificate may contain provisions related to any such bond insurance policy, including payment provisions thereunder, and the rights of the bond insurer, and any such provisions shall be incorporated into and considered an integral part of this Ordinance.

Section 35: Benefits of Ordinance. Nothing in this Ordinance; expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, and this Ordinance and all its provisions is intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

Section 36: No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Bonds or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Bonds.

Section 37: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 38: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 39: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

Section 40: 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 the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 41: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 42: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof.

Section 43: Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

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PASSED AND ADOPTED, the 11th day of June, 2013.

CITY OF MEADOWLAKES, TEXAS

Mayor

ATTEST:

City Secretary

(City Seal)

DRAFT

EXHIBIT A

REFUNDING CANDIDATES

Combination Tax and Revenue Certificates of Obligation, Series 2008

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
September 1, 2013	4.80%	\$15,000
September 1, 2014	4.80%	285,000
September 1, 2015	4.80%	300,000
September 1, 2016	4.80%	320,000
September 1, 2017	4.80%	330,000
September 1, 2018	4.80%	340,000
September 1, 2019	4.80%	355,000
September 1, 2020	4.80%	370,000
September 1, 2021	4.80%	390,000
September 1, 2022	4.80%	410,000
September 1, 2023	4.80%	425,000

EXHIBIT B

DEFINITIONS

Capitalized words or terms, whenever the same appear in the Ordinance without qualifying language, shall have the following meaning:

“Attorney General” shall mean the Attorney General of the State of Texas.

“Bond” or “Bonds” shall mean any or all of the bonds authorized by the Ordinance.

“Bond Fund” shall mean the special fund created and established under the provisions of Section 15 of the Ordinance.

“Bond Purchase Agreement” shall mean the agreement between the City and the Underwriters referred to in Section 23 of this Ordinance.

“Business Day” shall mean any day which is not a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close.

“Chapter 1207” shall mean Chapter 1207, Texas Government Code, as amended.

“City” shall mean the City of Meadowlakes, Texas and, where appropriate, its City Council.

“City Council” shall mean the governing body of the City.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“DTC” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” shall mean the place of payment for the Refunded Obligations or the trust company or commercial bank identified in the Escrow Agreement, and its successors in such capacity.

“Escrow Agreement” shall mean an escrow agreement between the City and the Escrow Agent referred to in Section 27 of the Ordinance.

“Fiscal Year” shall mean the City’s then designated fiscal year, which currently is the twelve-month period beginning on the first day of October of a calendar year and ending on the last day of September of the next succeeding calendar year and each such period may be designated with the number of the calendar year in which such period ends.

“Government Securities” shall mean (1) direct non-callable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (2) non-callable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent and (3) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City are rated, as to investment quality, by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Gross Proceeds” shall mean any proceeds as defined in Section 1.148 1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148 1(c) of the Regulations, of the Bonds.

“Holder” shall mean the person or entity in whose name any Bond is registered in the Security Register.

“Initial Bond” shall mean the initial bond(s) authorized by Section 13 herein.

“Interest Payment Date” shall mean the date or dates specified in the Pricing Officer’s Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Ordinance” shall mean Ordinance No. 2013-__ adopted by the City Council on June 11, 2013, authorizing the issuance of the Bonds, and all amendments thereof and supplements thereto.

“Outstanding”, when used with respect to Bonds, shall mean, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except: (1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation; (2) those Bonds for which payment has been duly provided by the City in accordance with the provisions of Section 19 of this Ordinance; and (3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 18 of the Ordinance.

“Paying Agent/Registrar” shall mean the bank or trust company identified in the Paying Agent/Registrar Agreement referred to in Section 5 of this Ordinance and its successors in the capacities of paying agent and registrar for the Bonds.

“Paying Agent/Registrar Agreement” shall mean the agreement between the City and the Paying Agent/Registrar setting forth the duties and obligations of the Paying Agent/Registrar with respect to the Bonds.

“Pricing Officer” shall mean any one of the following officers of the City: the Mayor, the Mayor Pro Tem, or the City Manager.

“Pricing Officer’s Certificate” shall mean a certificate signed by the Pricing Officer establishing the terms and features of the Bonds in accordance with Sections 2, 3, 4 and 23 of this Ordinance.

“Record Date” shall mean the day specified in the Pricing Officer’s Certificate.

“Refunded Obligations” shall mean the Refunding Candidates that are further identified as Refunded Obligations in the Pricing Officer’s Certificate.

“Refunding Candidates” shall mean those certain obligations set forth in Exhibit A hereto.

“Report” shall mean the verification report verifying the accuracy of certain mathematical computations relating to the Bonds and the refunding of the Refunded Obligations.

“Rule” shall mean SEC Rule 15c2-12, as amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Security Register” shall mean the registration books for the Bonds kept by the Paying Agent/Registrar in which is maintained the name and address of, and the principal amounts registered to, each Holder of a Bond.

“Underwriter” shall mean the purchaser or purchasers of the Bonds identified in the Bond Purchase Agreement.

EXHIBIT C

PRICING OFFICER'S CERTIFICATE

CITY OF MEADOWLAKES, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES _____

THIS PRICING OFFICER'S CERTIFICATE is executed as of _____, 20____ by the [_____] of the City of Meadowlakes, Texas (the "City"), pursuant to the authorization contained in an ordinance of the City Council, acting as the governing body of the City, adopted on June 11, 2013 (the "Ordinance"), authorizing the issuance of the captioned series of bonds and delegating to the undersigned the authority to agree to and stipulate certain terms and provisions thereof, all of which are set forth herein.

Capitalized terms used in this Pricing Officer's Certificate shall have the meanings assigned to them in the Ordinance.

1. Principal Amount, Maturity Amount, Numbers, Interest Rates, Interest Payment Dates and Maturities. The Bonds shall be designated as the "City of Meadowlakes, Texas General Obligation Refunding Bonds, Series 20____," dated _____, 20____ and issued in the total authorized principal amount of \$_____. The Bonds shall be dated _____, 20____, and bear interest from their [dated date/date of their initial delivery]. The Interest Payment Date for the Bonds shall be each _____ and _____, commencing _____, _____, until maturity or prior redemption; and, the Record Date shall be the last business day of the month next preceding each Interest Payment Date.

The Bonds shall mature on _____ in each of the years and in the amounts set out in the following schedule:

<u>Bond Number</u>	<u>Year of Maturity (_____)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R-1			
R-2			
R-3			
R-4			
R-5			
R-6			
R-7			
R-8			
R-9			
R-10			

2. Redemption.

- (a) Optional. The Bonds maturing on and after _____, ____ are subject to optional redemption, in whole or, from time to time, in part on _____, _____, or any date on or after, at a redemption price of par plus accrued interest thereon.
- (b) Mandatory. The Bonds maturing in the years _____ and _____ will be issued as term bonds and shall be subject to the following mandatory redemption requirements:

TERM BONDS MATURING _____, _____

Mandatory Redemption Date (_____)	Principal Amount	Redemption Price
		100%
		100
		100
		100

TERM BONDS MATURING _____ 15, _____

Mandatory Redemption Date (_____)	Principal Amount	Redemption Price
		100%
		100
		100
		100

To the extent that such Term Bonds have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Bonds so redeemed or purchased.

In lieu of mandatorily redeeming the Term Bonds, the City reserves the right to purchase for cancellation Term Bonds of the same maturity at a price no greater than the applicable redemption price of such Term Bonds.

The Paying Agent/Registrar will select by lot the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the City, by the principal

amount of any Bonds having the same maturity which have been purchased or redeemed by the City as follows, at least forty-five (45) days prior to the mandatory redemption date:

- (i) if the City directs the Paying Agent to purchase Bonds with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Bonds purchased will be made against the next mandatory redemption installment due, or
- (ii) if the City purchases or redeems Bonds with other available moneys, then the principal amount of such Bonds will be credited against future mandatory redemption installments in any order, and in any annual amount, that the City may direct.

3. Purchase Price. The sale of the Bonds is authorized pursuant to the Bond Purchase Agreement, dated as of the date hereof between Morgan Keegan & Company, Inc. and the City, at the following price:

PRINCIPAL AMOUNT \$_____

Plus Original Issue Premium _____

Less Underwriter's Discount _____

PURCHASE PRICE \$_____

It is hereby found and declared that the sale of the Bonds pursuant to the Bond Purchase Agreement at such price is on the best terms and at the best prices reasonably obtainable by the City.

Proceeds from the sale of the Bonds shall be applied as follows:

- (a) An amount equal to accrued interest on the Bonds, if any, shall be deposited into the Debt Service Fund;
- (b) The remaining proceeds from the sale of the Bonds shall be applied to establish an escrow fund under the Escrow Agreement to refund the Refunded Obligations, and to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of the Bonds and the refunding of the Refunded Obligations, as approved by the City; and
- (c) Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Debt Service Fund and used to pay debt service on the Bonds.

4. Escrow Agreement and Deposit. The Escrow Agreement attached as Exhibit A hereto is hereby approved. Pursuant to Sections 25 and 28 of the Ordinance, \$_____ from the proceeds of the Bonds shall be deposited into the

Escrow Fund created pursuant to the Escrow Agreement and applied to refund the Refunded Obligations.

5. Form of Bond. Pursuant to Section 14 of the Ordinance, the Form of Bond as set forth in Exhibit B hereto is hereby approved and supersedes the Form of Bond set forth in the Ordinance.
6. The Refunded Obligations shall be those bonds identified in Exhibit C hereto.
7. Pursuant to Section 4 of the Ordinance, we hereby further find and determine that:
 - a. The aggregate principal amount of the Bonds is \$_____, which is not more than \$3,500,000;
 - b. The gross savings to the City is \$_____ and the net present value debt service savings to the City is _____% (which is not less than 4.00%), as shown on Exhibit D hereto; and
 - c. The true interest rate of the Bonds (i.e., the rate used to determine the federal income tax arbitrage yield) is _____% (which is not more than 3.00%).
8. Pursuant to Section 33 of the Ordinance, the City shall provide updated financial information and operating data to the MSRB each year to the extent, by the times, subject to the exceptions noted, and as provided in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports."
9. The Bonds are eligible to be issued as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code and, pursuant to Section 22 of the Ordinance, the undersigned hereby designates the Bonds as "qualified tax-exempt obligations." In accordance with the designation of the Bonds as "qualified tax-exempt obligations," the undersigned (acting on behalf of the Board) makes the following representations: (a) that during the calendar year 2013, which is the calendar year in which the Bonds are issued, the City (including all entities which issue obligations on behalf of the City) has not and will not designate obligations, which when aggregated with the Bonds, will result in more than \$10 million of "qualified tax-exempt obligations" being issued and (b) that the City has examined its financing needs for 2013 and reasonably anticipates that the amount of bonds, leases, loans or other obligations, together with the Bonds and any other tax-exempt obligations heretofore issued by the City (plus those of all entities which issue obligations on behalf of the City) during 2013 when the higher of the face amount or the issue price of each such tax-exempt obligations issued for 2013 is taken into account, will not exceed \$10 million.
10. [The purchase of a municipal bond insurance policy from _____ ("_____"), insuring the payment of the principal of, premium, if any, and interest on all maturities of the Bonds, is hereby approved; and it is hereby determined

that such policy will produce a net debt service cost savings (after accounting for the costs of such policy). Pursuant to Section 34 of the Ordinance, the provisions set forth in Exhibit E to this certificate shall be incorporated into and shall be considered an integral part of the Ordinance.]

11. The undersigned hereby finds, determines and declares, that in accordance with the requirements of the Ordinance, this Pricing Officer's Certificate complies with and satisfies the terms and provisions of the Ordinance in accordance with the delegation contained therein.

<EXECUTION PAGE FOLLOWS>

WITNESS MY HAND this _____, 201__.

Pricing Officer

EXHIBIT A TO PRICING OFFICER'S CERTIFICATE
ESCROW AGREEMENT

EXHIBIT B TO PRICING OFFICER'S CERTIFICATE

FORM OF BOND

(a) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF MEADOWLAKES, TEXAS
GENERAL OBLIGATION REFUNDING BOND, SERIES 2013

Bond Date: _____ Interest Rate: _____ Stated Maturity: _____ CUSIP NO: _____
_____, 20____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The City of Meadowlakes (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Burnet, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the Bond Date at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ in each year, commencing _____, 20____. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for

such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

THIS BOND IS ONE OF THE SERIES specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of refunding certain outstanding obligations of the City, paying costs of such refunding and paying costs of issuance related thereto, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1207, Texas Government Code, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

THE CITY RESERVES THE RIGHT, at its option, to redeem prior to maturity the Bonds maturing on or after _____, __, __, in whole or in part, on _____, ____ or on any date thereafter, at a price equal to par plus accrued interest to the date of redemption.

THE BONDS MATURING IN THE YEARS 20__ and 20__ (the "Term Bonds") are subject to mandatory redemption prior to maturity in the following amounts (subject to reduction as hereinafter provided), on the following dates, in whole or in part, at a price equal to the principal amount thereof plus accrued interest thereon to the redemption date, without premium:

Term Bonds	
Due _____, 20__	
<u>Year</u>	<u>Principal Amount</u>
	\$

(maturity)

Term Bonds	
Due _____, 20__	
<u>Year</u>	<u>Principal Amount</u>
	\$

(maturity)

TO THE EXTENT THAT SUCH TERM BONDS have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Bonds so redeemed or purchased.

IN LIEU OF MANDATORILY REDEEMING the Term Bonds, the City reserves the right to purchase for cancellation Term Bonds of the same maturity at a price no greater than the applicable redemption price of such Term Bonds.

THE PAYING AGENT/REGISTRAR will select by lot the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof)

to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Bonds having the same maturity which have been purchased or redeemed by the City as follows, at least 45 days prior to the mandatory redemption date:

(i) if the City directs the Paying Agent/Registrar to purchase Bonds with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Bonds purchased will be made against the next mandatory redemption installment due, or

(ii) if the City purchases or redeems Bonds with other available moneys, then the principal amount of such Bonds will be credited against future mandatory redemption installments in any order, and in any annual amount, that the City may direct.

NOT LESS THAN THIRTY (30) DAYS prior to a redemption date, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the City to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Registrar at the close of business on the business day next preceding the date of mailing. When Bonds or portions thereof have been called for redemption and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on the date fixed for redemption.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless all prerequisites to such redemption required by the Ordinance have been met, including moneys sufficient to pay the principal of and premium, if any, and interest on this Bonds having been received by the Paying Agent/Registrar prior to the giving of notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of all prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, and if such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem this Bond and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that this Bond has not been redeemed.

THE BONDS ARE PAYABLE from the proceeds of an annual ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City.

REFERENCE IS HEREBY MADE TO THE ORDINANCE, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the

rights, duties, and obligations of the City and the Paying Agent/Registrar, the terms and provisions upon which the tax levy and covenants made in the Ordinance may be discharged at or prior to the maturity of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

THIS BOND, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

THE CITY AND THE PAYING AGENT/REGISTRAR, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

IT IS HEREBY CERTIFIED, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Bond Date.

CITY OF MEADOWLAKES, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(SEAL)

(b) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(c) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within mentioned Ordinance; the certificate or certificates of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registration Date: _____

_____ as Paying Agent/Registrar

By _____

Authorized Signature

ASSIGNMENT

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(e) The Initial Bond(s) shall be in the form set forth in paragraph (a) of this Exhibit B, except that the form of a single fully registered Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF MEADOWLAKES, TEXAS
GENERAL OBLIGATION REFUNDING BOND, SERIES 2013

Bond Date: _____, 20__

Registered Owner: _____

Principal Amount: _____

The City of Meadowlakes (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Burnet, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on _____ in each of the years and in principal installments in accordance with the following schedule:

<u>Year</u>	<u>Principal Installments</u>	<u>Interest Rate</u>
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(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Bond Date at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ of each year, commencing _____, 20__. Principal installments of this Bond are payable at its Stated Maturity or on a redemption date to the registered owner hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____, Texas (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on

such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

EXHIBIT C TO PRICING OFFICER'S CERTIFICATE

DESCRIPTION OF REFUNDED OBLIGATIONS

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Date</u>	Price <u>(% of Principal Amount)</u> 100
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DRAFT

EXHIBIT D TO PRICING OFFICER'S CERTIFICATE

PRESENT VALUE SAVINGS CALCULATION

DRAFT

City of Meadowlakes

Agenda Item-VI-E

Items for Consideration

City Council Meeting

June 11, 2013

Date: *June 5, 2013, 2013*

To: *Honorable Mayor Williams and Council Persons*

From: *Johnnie Thompson, City Manager*

Agenda Item: *VI-E-Establishing time and dates for budget workshops and determination whether to cancel July's council meeting*

Requested Council Agenda Date: *May 14, 2013*

Contact Name & Number: *Johnnie Thompson, City Manager*

1. Place On: ☐ Consent ☒ New Business ☐ Old Business

2. Budget Impact Statement Attached: ☐ Yes ☐ No ☒ N/A

3. Original Copies of Documents Approved to from by City Attorney?

☐ Yes ☐ No ☒ N/A

4. Background:

Attached please find a draft calendar based on our past conversations. The calendar is based on not having any meetings in July related to the budget. Should you so desire I will most likely have a draft budget ready for your review by mid-July. Please look over the calendar to see if you have any conflicts. In order to have a workshop we need a minimum of four council members present.

PROPOSED FISCAL YEAR 2013 BUDGET CALENDAR

<u>Date</u>	<u>Responsibility</u>	<u>Action to be taken</u>
April 2013	City Manager	Begin compiling budget data including estimated Fee 2012-2013 expenses and revenues- Completed
May 14, 2013 (Regularly scheduled Council Meeting)	City Council	Establish dates for future workshops which include strategic planning session to establish goals and priorities for upcoming fiscal year- Completed
May 28, 2013 (Workshop)	City Council & Staff	Workshop for strategic planning with regards to establishing goals, priorities and projects anticipated for Fiscal Year 2013-2014- Completed
June-July, 2013	City Manager & Staff	Development of tentative draft budget
August 6, 2013 Workshop	City Manager	Presentation of working draft budget to Council for discussion, review and recommendations
August 13, 2013 Workshop prior to Council Meeting	City Manager & Council	Formal presentation of Draft Budget to City Council by City Manager. Council reviews the budget and directs amendments and/or changes as they deem necessary after which they acknowledge receipt of the draft budget. After acknowledgment by Council the City Manager files the draft budget with the City Secretary for public review. The Draft Budget must be filed with the City Secretary 30 days prior to the adoption of the City's property tax rate. The Council should establish the date/time/place of the one required public hearing. The hearing must not be earlier than 15-days after the filing of the Draft Budget with the City Secretary. The budget must be adopted prior to the establishment of a property tax rate.
August 20 or 27th, 2013	City Council	Special meeting/workshop session to discuss the establishment of the property tax rate for 2013 and setting date/time/place for the required public hearing prior to the setting of our property tax rate. (Could hold public hearing on budget.)
September 10, 2013	City Council	Conduct Public Hearing on establishment of the 2013 property tax rate.
September 10, 2013	City Council	Adoption of budget followed by adoption of 2013 property tax rate.

Run Date 6-5-13

City of Meadowlakes

Agenda Item-VII-A

Items for Consideration

City Council Meeting

June 11, 2013

Date: June 5, 2013, 2013

To: Honorable Mayor Williams and Council Persons

From: Johnnie Thompson, City Manager

Agenda Item: VII-A-Eagle Golf

Requested Council Agenda Date: May 14, 2013

Contact Name & Number: Johnnie Thompson, City Manager

1. Place On: ☐ Consent ☒ New Business ☐ Old Business
2. Budget Impact Statement Attached: ☐ Yes ☐ No ☒ N/A
3. Original Copies of Documents Approved to from by City Attorney?
☐ Yes ☐ No ☒ N/A
-

4. Background:

Attached for your review is the first draft of a proposed lease agreement between Eagle Golf and the City for the lease of the golf course as well as a copy of a basic proposal from them. Mayor Williams has scheduled a joint workshop between the Council and the PFC to discuss the possible lease of the golfing complex to Eagle Golf.

The proposal is basically talking points, not a formal proposal. The proposal reflects an initial investment on their part of \$100,000 for re-grassing of all greens and improvement to cart paths and a commitment of investing 4% of all revenues per year toward capital improvements and major repairs of the course and facilities.

As proposed the course would be shut down in July and would likely remain closed until Labor Day, at which time they would begin operating the course. During the interim the City would be responsible for the needed upkeep of the course.

Mayor Williams, Councilman Hammond and I met with a representative of Eagle last week to discuss their proposal in more detail, thus the development of the attached draft lease. I want to emphasize that we are just in the preliminary discussion stage and gathering additional information. It is my understanding that after your workshop on Tuesday Mayor Williams is going to request that the Council decide if they would like to pursue the possible lease of the golfing complex to a privately held firm or not.



Bill Dowling
New Business Development

May 16, 2013

Mr. Johnnie Thompson
City Manager
Meadowlakes, TX

Mr. Thompson,

Eagle Golf would like to propose the following concerning the leasing of the Hidden Falls Golf Club.

1. Eagle will invest the money and oversight to re-grass the greens.
2. Eagle will commit to repair the cart paths as needed up to a dollar amount.
3. Total initial Eagle investment not to exceed \$100,000.
4. Eagle will lease the club for \$1 per year but the lease term will commence upon the reopening of the course after the greens project.
5. Eagle will commit to set aside 4% of gross revenues each year for capital needs and repairs.
6. Eagle during the greens renovation will offer special promotional rates at selected facilities to the Hidden Falls members.

We believe these to be the major points in the lease and if these are acceptable to the City of Meadowlakes we will draw up a formal lease agreement to be executed by both parties.

Sincerely,

A handwritten signature in dark ink, appearing to be "B. Dowling".

Bill Dowling

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (this "Agreement"), _____, 2013, (Start Date) is entered into by and between ~~n~~City of Meadowlakes, Texas ("Landlord"), and EVERGREEN ALLIANCE GOLF LIMITED, L.P., a Delaware limited partnership ("Tenant").

RECITALS

WHEREAS, Landlord is the owner of that certain real property located 220 Meadowlakes Drive, Meadowlakes, Texas 78654 more particularly described on Exhibit A attached hereto (the "Real Property"); and

WHEREAS, there is an 18-hole golf course, clubhouse, driving range, practice area, maintenance building, tennis courts, swimming pool and related improvements located on the Real Property (collectively, the "Improvements"); and

WHEREAS, there is a golf club operated on and from the Real Property and Improvements known as Hidden Falls Golf Club (the "Club"); and

WHEREAS, Landlord is the owner of tangible personal property on and about the Real Property and Improvements and intangible personal property related to the Real Property and Improvements and the Club (the "Personal Property", and together with the Real Property, the Improvements and the Club, the "Property")); and

WHEREAS, Tenant and Landlord are desirous of entering into a long-term lease agreement with respect to the Property,

NOW, THEREFORE, for and in consideration of good and valuable consideration the receipt of which is hereby acknowledged and the mutual promises and covenants contained herein, Landlord and Tenant agree as follows:

ARTICLE 1.

(Intentionally Deleted)

ARTICLE 2.

DEMISE/USE

2.1. Demise. Landlord, for and in consideration of the rents, covenants and agreements herein reserved, mentioned and contained on the part of Tenant to be paid, kept and performed, by this Agreement does hereby demise and lease unto Tenant the Property and Tenant, for and in consideration of the covenants and agreements herein reserved, mentioned and contained on the part of Landlord to be kept and performed, hereby leases and hires the Property, upon and subject to the terms, provisions and conditions hereinafter expressed.

2.2. Use. Tenant shall use the Property only in conformance with applicable governmental laws, regulations, rules, and ordinances for the purpose of operating a golf course and other activities customarily associated with or incidental to the operation of a golf course and/or country club, including, but not limited to, daily play, tournaments, the sale or rental of golf-related equipment, golf carts, merchandise at a golf or tennis professional's shop, furnishing of lessons by a golf or tennis professional, operation of the facility, a driving range, swimming pool, tennis courts and the preparation and sale of food and beverages to customers, including liquor sales, and for no other purpose.

ARTICLE 3.

TERM

3.1. Term. The initial term of this Agreement shall be for the ten year period beginning upon the date the golf course re-opens following the completion of the Greens Project (as defined below) (the "Opening Date"), and shall end at 11:50 p.m. on the day preceding the tenth anniversary of the Opening Date ("Termination Date"), subject to the termination provisions herein (the "Term"). The Opening Date will be agreed to by the parties and evidenced by an Amendment to this Lease in the form of Exhibit B hereto, executed within 30 days of the Opening Date. Upon the expiration of the Term, , the parties agree to use their best efforts to negotiate an extension to this Lease based upon substantially similar terms and conditions as contained herein.

3.2. Memorandum of Lease. At Tenant's request, Landlord shall execute and record a short-form memorandum of this Agreement, and shall have same recorded in the real property records for Meadowlakes, Texas. The parties further agree, however, that such memorandum shall in no way be deemed or interpreted to amend, change, define, explain, or add to the provisions of this Agreement.

ARTICLE 4.

RENT

Rent. Tenant shall pay Rent equal to one dollar (\$1) per year during the Term, payable upon the anniversary of the Opening Date.

ARTICLE 5

REAL ESTATE TAXES

Property Taxes. Tenant shall, during the Term of this Agreement, pay and discharge all taxes, assessments, excises, levies, and other charges upon or with respect to the Property by any public authority having jurisdiction which shall or may during the Term be assessed, levied or imposed by any public authority upon the Property for the period attributable to the Term, including, but not limited to, ad valorem taxes and any penalties for nonpayment (the "Taxes"). Taxes shall not include (i) any income tax, or similar tax of Landlord; or (ii) any state franchise tax imposed upon Landlord. Tenant agrees to provide Landlord evidence of the payment of the Taxes, including copies of paid tax receipts.

ARTICLE 6

INSURANCE

6.1 Tenant's Insurance. Tenant shall obtain property, casualty and general liability insurance in amounts which Landlord reasonably deems sufficient to insure the Tenant's operation of the Club and the Improvements.

6.2 Certificates of Insurance. All insurance provided by Tenant under this Article 6 shall name Landlord as an additional insured. Tenant shall deliver to Landlord, upon Landlord's written request, certificates of insurance in reference to said policies of insurance with respect to all coverages so procured.

ARTICLE 7

UTILITIES AND SERVICES

Utilities and Services. Tenant agrees to pay all charges for utilities and services used by it on the Property, which shall be separately metered and provided by third-party utility providers. Landlord agrees to cooperate to ensure that the utility accounts shall be held in Tenant's name and all statements forwarded directly to Tenant's address.

ARTICLE 8

LANDLORD'S COVENANTS AND REPRESENTATIONS

Landlord makes the following representations to Tenant, which representations shall, unless otherwise stated herein, survive the execution and delivery of this Agreement and the Start Date:

8.1 Authorization. This Agreement has been duly executed and delivered by Landlord and constitutes a valid and binding obligation of Landlord, enforceable in accordance with its terms.

8.2 Violation of Agreement. Neither the execution and delivery of this Agreement by Landlord nor Landlord's performance of its obligations hereunder will result in a violation or breach of any term or provision or constitute a default or accelerate the performance required under any other agreement or document to which Landlord is a party, or is otherwise bound, or to which the Property, or any part thereof, is subject, and will not constitute a violation of any law, ruling, regulation or order to which Landlord is subject.

ARTICLE 9

TENANT'S COVENANTS AND REPRESENTATIONS

Tenant makes the following representations to Landlord, which representations shall, unless otherwise stated herein, survive the execution and delivery of this Agreement:

9.1 Status. Tenant is a limited partnership duly organized, validly existing and in good standing under the laws of Delaware, with full power to enter into this Agreement and execute all documents required hereunder.

9.2 Authorization. The making, execution, delivery and performance of this Agreement by Tenant has been duly authorized and approved by all requisite action of the partners of Tenant, and this Agreement has been duly executed and delivered by Tenant and constitutes a valid and binding obligation of Tenant, enforceable in accordance with its terms.

9.3 Operation of the Club. Tenant shall operate and manage and maintain the Club in a manner which Tenant deems reasonable necessary to operate a golf course and club. Tenant shall have the authority and duty to exercise all prerogatives of ownership with respect to the Club, including operating the Club and performing any act necessary or desirable for the operation and maintenance of the Club and the Property.

9.4 Maintenance. Tenant shall have the sole responsibility to maintain the Property in a manner which it reasonably determines to be necessary. Tenant may determine in its sole discretion that any of the Personal Property or a portion thereof should be retired or replaced and may use the trade or sale of the existing Personal Property to offset the expense of the replacement Personal Property. At the end of the Term, all Personal Property, including replacement Personal Property will belong to Landlord.

9.5 Capital Reserve.

a. Tenant shall establish in Tenant's name an interest-bearing account at a bank designated by Tenant a reserve account (the "Capital Reserve Account") for the funding of capital repairs, replacement, and improvements (collectively, the "Capital Items"). For each Lease Year, Tenant shall deposit on or before the thirtieth (30th) day following the expiration of each month four percent (4%) (the "Capital Reserve Percentage") of the gross Revenues for the preceding month into the Capital Reserve Account. Funds in the Capital Reserve Account shall be used solely for the capital expenditure needs for the Property and the Club as reasonably determined by Tenant.

b. In addition, Tenant agrees to invest up to one hundred thousand (\$100,000) dollars in the Property to re-grass the greens on the golf course and repair the cart paths, as needed (the "Greens Project"). The Greens project will be performed between the Start Date and the Opening Date and will necessitate the closing of the golf course for some period of time. During the completion of the Greens Project, Tenant will offer special promotional rates at its other golf properties identified on Exhibit C hereto to the Hidden Falls members.

c. Notwithstanding the foregoing, Tenant shall only be responsible for Capital Items up to the amount of the Capital Reserve Percentage for that Lease Year, and Landlord agrees that Landlord will be responsible for all Capital Items in excess of the Capital Reserve.

9.6 Applicable Laws/Existing Requirements. After the Start Date, Tenant shall, subject to Unavoidable Delay, comply and shall cause the Club to comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, except where contested in good faith and by proper proceedings by Tenant with no damages to Landlord. Notwithstanding the above, Landlord agrees not to enact any legislation specifically designed to be detrimental to Tenant's ability to operate the Club and utilize the Property.

9.7 Accounting Records and Reporting. Tenant agrees that during the Term of this Agreement, it shall maintain accounting records in a format consistent with generally accepted accounting principles. Landlord shall have the right to audit Tenant's revenue records only for purposes of confirming Rent. Tenant agrees to assist and cooperate with Landlord, or its selected representative, in the transition of operational permits and operational records (excluding employee files and income tax records) of the Club upon expiration of this Agreement.

9.8 Violation of Agreement. Neither the execution and delivery of this Agreement by Tenant nor Tenant's performance of its obligations hereunder will result in a violation or breach of any term of provision or constitute a default or accelerate the performance required under any other agreement or document to which Tenant is a party or is otherwise bound or to which the Property or any part thereof is subject, and will not constitute a violation of any law, ruling, regulation or order to which Tenant is subject.

9.9 Mechanic's Liens. Tenant shall satisfy any and all claims for mechanic's or materialmen's liens accruing after the Start Date or arising from work performed after the Start Date; provided, however, Tenant shall have the right to contest any such claims.

9.10 Cooperation. Tenant agrees to cooperate, at no cost to Tenant, with Landlord in meeting the reasonable requests of Landlord, so long as such demands do not cause or potentially cause any materially adverse economic or operational effect upon Tenant.

9.11 Maintenance Equipment/Golf Carts. Throughout the Term, Tenant shall maintain a fleet of maintenance equipment and golf carts as Tenant shall reasonably deem necessary for operation of the Club and shall replace and repair such fleets in a manner which Tenant deems reasonably necessary. Tenant, in its sole discretion, may elect to either purchase or lease any or all of such fleets.

9.12 Membership Rights. During the Term, Tenant agrees to honor all existing Club membership usage rights.

9.13 Employees. Tenant agrees to offer to hire and employ substantially all of the employees who are employed at the Club as of the date immediately preceding the Start Date (“Existing Employees”). Tenant will not terminate the employ of any Existing Employees for other than cause for the first 30 days following the Start Date.

ARTICLE 10

INDEMNITY

10.1 Tenant’s Indemnification. Tenant covenants and agrees to indemnify and save Landlord and its subsidiaries, affiliates, agents, and employees harmless from any and all costs, expenses, penalties, claims, demands and liabilities resulting from, or claimed to have resulted from, any act or omission by Tenant or of its invitees, agents or employees concerning the operation of the Property after the Start Date, but this indemnity shall not extend to costs, expenses, penalties, claims, demands and liabilities resulting from acts or omissions of Landlord or its employees or agents.

10.2 Landlord’s Indemnification. Landlord covenants and agrees to indemnify and save Tenant and Tenant’s affiliates, agents, lenders and employees harmless from any and all costs, expenses, penalties, claims, demands and liabilities resulting from, or claimed to have resulted from, any action or claim, or otherwise, arising with respect to Landlord’s or its employees or agents actions or inactions.

ARTICLE 11

DESTRUCTION BY FIRE OR OTHER CASUALTY

11.1 Total Destruction. In the event that any material portion of the Improvements be totally destroyed by fire or other casualty to the extent that the damage cannot be materially restored with due diligence within one (1) year from the date, plus any Unavoidable Delay, construction commences, Tenant may, at its option, (i) terminate this Agreement by giving written notice to Landlord within sixty (60) days following such damage or destruction, or (ii) elect to rebuild the Improvements pursuant to Section 11.2. In the event of termination of this Agreement pursuant to this Section, Landlord is to receive all insurance proceeds, and this Agreement shall cease and come to an end as of the date of such damage or destruction as though such date were the date originally fixed for the expiration of the Term of this Agreement.

11.2 Partial Destruction. In the event any of the Improvements are damaged by fire or other insurable casualty losses and such damage can be materially restored with due diligence within one (1) year, plus any Unavoidable Delay, following the date construction commences, Tenant shall have the obligation to repair the Improvements, as the case may be, as nearly as practicable to the condition the Improvements were in prior to the damage utilizing the proceeds of insurance received by Tenant relating to the damage and such additional funds of Tenant as reasonably required (to the extent the insurance proceeds from the insurable loss were not

sufficient) to repair the damages, including the amount of the deductible. All funds expended by Tenant as a deductible shall be offset against the Rent. Landlord agrees to assign said insurance proceeds to Tenant to be utilized solely for the repair and restoration of the Property. Tenant shall cause such repair to be commenced with all reasonable dispatch so as to complete the same at the earliest, reasonable possible date. In the event that a partial destruction as defined herein occurs during the final five (5) years of the Term, the partial destruction will be considered a total destruction as set forth in Section 11.1.

11.3 Notification. Tenant hereby agrees to notify Landlord of any such events of damage or destruction, as soon as reasonably possible.

ARTICLE 12

CONDEMNATION

12.1 Notice of Taking. Landlord shall, within ten (10) days of Landlord's receipt of notice of a proposed and/or actual taking of the Real Property, or a portion of either, under any governmental law, ordinance or regulation, or by right of eminent domain, provide Tenant (i) written notice of such proposed or actual taking, and (ii) a copy of the documents and/or pleadings received from the governmental authorities.

12.2 Effect of Entire Taking. If during the Term of this Agreement the entire Real Property or a portion of the Real Property which results in Tenant's inability to use the Property in the manner in which it has been used or can be used under this Agreement shall be appropriated or taken for any public or quasi-public use under any governmental law, ordinance or regulation, or under the power of eminent domain by any public or quasi-public authority, then this Agreement and the Term hereof shall cease and come to an end as though such date were the date originally fixed for the expiration of the Term of this Agreement.

12.3 Tenant's Award. If this Agreement is terminated pursuant to the provisions of this Article, then the Rent for the last month of Tenant's occupancy shall be prorated and Landlord agrees to refund to Tenant all sums paid in advance, if any. Each party shall have the right to pursue, in their own name, their representative claims against the governmental authority, based on their respective interests, for the damages they have sustained as a result of the taking of the Real Property and Improvements located therein. In the event of a partial taking, and Tenant does not receive an award sufficient to pay the costs to repair and restore the improvements, Tenant agrees to fund the amount of the deficiency to fund the costs to repair and/or restore the Improvements to their condition prior to the taking. All funds advanced by Tenant shall be offset against Rent.

12.4 Landlord's Condemnation. Landlord agrees not to seek condemnation or eminent domain rights against the Property.

ARTICLE 13

RIGHT TO CURE

13.1 Tenant's Performance. After the expiration of any permitted grace period recited in this Agreement, if Tenant shall have failed to cure any default in the performance of any covenant or promise on its part to be performed, Landlord may, immediately, or at any time thereafter, without further notice, perform the same for the account and at the expense of Tenant. Notwithstanding the above, in the case of an emergency (being defined as a situation involving the immediate threat of a loss of property or injury), Landlord may so perform in Tenant's stead prior to the expiration of any applicable grace period; provided, however, Tenant shall not be deemed in default under this Agreement. Landlord shall, however, use its best efforts to properly give notice to Tenant after the occurrence of an emergency.

13.2 Landlord's Performance. After the expiration of any permitted grace period, if Landlord shall have failed to cure any default in the performance of any covenant or promise on its part to be performed, Tenant may, immediately, or at any time thereafter, without further notice, perform the same for the account and at the expense of Landlord. Notwithstanding the above, in the case of an emergency, Tenant may so perform in Landlord's stead prior to the expiration of any applicable grace period; provided, however, Landlord shall not be deemed in default under this Agreement.

13.3 Reimbursement. If, pursuant to this Article, Landlord or Tenant at any time is compelled or elects to (i) pay any sum of money, (ii) do any act which will require the payment of any sum of money, or (iii) incur any expense (including reasonable attorneys' fees) in instituting, prosecuting and/or defending any action or proceeding instituted by reason of Tenant's or Landlord's failure to reimburse, as herein provided, the sum or sums so paid or payable by Landlord or Tenant, as the case may be, with all interest, costs and damages, shall be immediately due from the other upon receipt of a statement therefore.

ARTICLE 14

QUIET ENJOYMENT

14.1 Quiet Enjoyment. Landlord, for itself, its successors and assigns, agrees that, upon the payment of the Rent herein reserved and upon the due performance and observance by Tenant of the terms, covenants, and conditions contained herein, Tenant shall, and may, at all times during the Term of this Agreement, subject to the Existing Real Property Conditions, peaceably and quietly have, hold, and enjoy the Property.

ARTICLE 15

15.1 **(Intentionally Deleted)**

ARTICLE 16

EVENTS OF DEFAULT

16.1 Tenant's Default. The occurrence of any of the following events which is not cured in the time permitted herein shall constitute a default under this Agreement (hereinafter referred to as a "Default"):

16.1.1 If Tenant fails to pay any sums, payable under this Agreement when and as the same shall become due and payable, and said failure shall continue for a period of thirty (30) days after written notice (specifying the item not paid) thereof from Landlord to Tenant to cure any payment failure;

16.1.2 If Tenant shall abandon the Property by ceasing to conduct operations on the Property for a period in excess of ninety (90) consecutive days; provided, however, it shall not be abandonment by Tenant if the Property cannot be operated by Tenant due to (i) damages caused by a casualty loss, (ii) any governmental restriction, regulation, or law, or (iii) any Unavoidable Delay;

16.1.3. If at any time during the Term any of the following have been done by, against, or with respect to;

16.1.4. The commencement of a case under Title 7 or Title 11 of the U.S. Bankruptcy Code as now constituted or hereafter amended, or under any other applicable federal or state bankruptcy law or similar law;

16.1.5. The appointment of a trustee or receiver of any property interest;

16.1.6. The assignment for the benefit of creditors;

16.1.7. An attachment, execution, or other judicial seizure of a substantial property interest which prohibits Tenant from continuing operation; and

16.1.8. A dissolution or liquidation.

16.2 Landlord's Default. If Landlord shall fail in the performance of or compliance with any of the covenants, agreements, terms or conditions contained in this Agreement, and such failure shall continue for a period of thirty (30) days after written notice thereof from Tenant to Landlord specifying in detail the nature of such failure, or, in the case such failure cannot be cured with due diligence within thirty (30) days, Landlord fails to proceed promptly and with all due diligence to cure the same and thereafter to prosecute the curing of such failure with all due diligence [it being intended that in connection with a failure not susceptible of being cured with due diligence within thirty (30) days, that the time within which to cure the same shall be extended for such period as may be reasonably necessary to complete the same with all due diligence].

ARTICLE 17

REMEDIES

17.1 Landlord's Remedies. Upon the occurrence of a Default by Tenant, Landlord shall be entitled to all remedies awardable at law or in equity and may enforce its rights and remedies by

suit, action at law, or other appropriate proceeding, whether one or more, and/or bring an action for damages, attorneys' fees, and/or enforcement or specific performance of any covenant, promise or agreement or condition contained in this Agreement.

17.2 Tenant's Remedies. Upon the occurrence of a Default by Landlord, Tenant shall be entitled to proceed with any and all remedies awardable to it at law or in equity and may enforce its rights and remedies by suit, action at law, or other appropriate proceeding, whether one or more, and/or bring an action for damages, attorneys' fees, and/or enforcement or specific performance of any covenant, promise or agreement or condition contained in this Agreement.

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 thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

17.3 Attorneys' Fees. In the event Tenant or Landlord should Default under any of the provisions of this Agreement and the non-defaulting party should employ attorneys or incur other expenses for the collection of Rent or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party, the defaulting party shall, on demand therefore, pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses reasonably incurred.

ARTICLE 18

TERMINATION

18.1 Termination. The Term of this Agreement shall only terminate on the occurrence of one of the events set forth below:

18.1.1 Tenant's Default. A material Default by Tenant which is not cured within the time permitted and Landlord sends to Tenant a written notice of termination for cause;

18.1.2 Landlord's Default. A material Default by Landlord which is not cured within the time permitted and Tenant sends to Landlord a written notice of termination for cause; or

18.1.3 Expiration of Term. The expiration of the Term of this Agreement.

18.2 Post Termination. At the termination of this Agreement, by lapse of time or otherwise:

18.2.1 Tenant shall surrender all keys to the Property to Landlord and make known to Landlord the combination of all combination locks remaining within the Property;

18.2.2 Tenant shall surrender possessions of all of the Personal Property. Tenant shall provide an inventory list of the Personal Property not less than ninety (90) days prior to the scheduled termination of this Agreement, or as quickly as

possible, but in no event shall it be provided less than ten (10) days prior to the removal of the Personal Property;

18.2.3 Tenant shall cooperate with Landlord for an orderly transition of the Property, including the transfer, if applicable and to the extent permitted by law, of all licenses and permits.

ARTICLE 19

UNAVOIDABLE DELAY

The provisions of this Article shall be applicable if there shall occur during the Term of this Agreement or prior to the Start Date any (i) acts of God, governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, fire, or other casualty; or (ii) other conditions similar to those enumerated in this Article beyond the reasonable control of the party obligated to perform. As the result of any of the above described events, if Landlord or Tenant shall fail punctually to perform any obligation on its part to be performed under this Agreement, then, upon written notice to the other, within ten (10) days of such event, such failure shall be excused and not be a breach of this Agreement by the party claiming an Unavoidable Delay, but only to the extent occasioned by such event. If any right or option of either party to take any action under or with respect to the Term of this Agreement is conditioned upon the same being exercised within any prescribed period of time or at or before a named date, then such prescribed period of time or such named date shall be deemed to be extended or delayed, as the case may be, upon written notice, as provided above, for a time equal to the period of the unavoidable delay. Notwithstanding anything contained herein to the contrary, the provisions of this Article shall not be applicable to Tenant's or Landlord's obligation to pay any Rent or other sums, monies, costs, charges or expenses required to be paid pursuant to the terms of this Agreement.

ARTICLE 20

NOTICES

20.1 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and (i) hand delivered, including delivery by courier service, (ii) sent by certified mail, return receipt requested, postage prepaid or via trackable overnight courier, addressed as shown below, or to such other address as the party concerned may substitute by written notice to the other. All notices personally delivered or sent via overnight courier shall be deemed received on the date of delivery. All notices forwarded by prepaid telegram shall be deemed received two (2) days after the date same are sent. All notices forwarded by mail shall be deemed received on a date three (3) days (excluding Sundays and holidays) immediately following date of deposit in the U.S. mail. Provided, however, the return receipt indicating the date upon which all notices were received shall be prima facie evidence that such notices were received on the date on the return receipt.

If to Landlord:

If to Tenant: Evergreen Alliance Golf Limited, L.P.
4851 LBJ Freeway, Ste 600
Dallas, Texas 75244
Attention: Joe Munsch

The addresses and addressees may be changed by giving notice of such change in the manner provided herein for giving notice. Unless and until such written notice is received, the last address and addressee given shall be deemed to continue in effect for all purposes.

ARTICLE 21

GENERAL PROVISIONS

21.1 **No Broker.** Landlord and Tenant each warrant that no real estate broker or person acting as such was consulted or dealt with by them in connection with or had any part in interesting them to enter into this Agreement. Each party shall hold the other harmless from any liability or expense incurred by the other party because of any claim for commission, fees or other compensation made by any real estate broker or other person based on claims contrary to this warranty.

21.2 **Counterparts.** This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

21.3 **Successors and Assigns.** This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns whenever the context so requires or permits.

21.4 **Time.** Time is of the essence in this Agreement and each and all of its provisions. Any extension of time granted for the performance of any duty or obligation under this Agreement shall not be considered an extension of time for the performance of any other duty or obligation under this Agreement.

21.5 **Severability.** Except as expressly provided to the contrary herein, each section, part, term or provision of this Agreement shall be considered severable, and if for any reason any section, part, term or provision herein is determined to be invalid and contrary to or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, such determination shall not impair the operation of or have any other affect on other sections, parts, terms or provisions of this Agreement as may remain

otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms or provisions shall be deemed not to be a part of this Agreement.

21.6 Applicable Law. This Agreement has been executed and delivered in the State of Texas and shall be construed in accordance with the laws of Texas. Any action brought to enforce or interpret this Agreement shall be brought in the court of appropriate jurisdiction in Dallas County, Texas. Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of the rule or conclusion that a document should be construed more strictly against the party who itself or through its agent prepared the same; it being agreed that all parties hereto have participated in the preparation of this Agreement and that legal counsel was consulted by each responsible party before the execution of this Agreement.

21.7 Entire Agreement. This Agreement embodies the entire agreement and understanding of Landlord and Tenant relating to the subject matter hereof and supersedes all prior representations, agreements and understandings, oral or written, relating to such subject matter. Neither this Agreement nor any provision hereof may be amended, enlarged, modified, waived, discharged or terminated orally, but only as expressly provided herein or by an instrument signed by Landlord and Tenant

21.8 Amendment and Waiver. This Agreement may not be amended or modified in any way except by an instrument in writing executed by all parties hereto; provided, however, either Landlord or Tenant may, in writing, (i) extend the time for performance of any of the obligations of the other, (ii) waive any inaccuracies and representations by the other contained in this Agreement, (iii) waive compliance by the other with any of the covenants contained in this Agreement, and (iv) waive the satisfaction of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement.

21.9 No Joint Venture. Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of (i) principal and agent, (ii) a partnership, or (iii) a joint venture between the parties hereto; it being understood and agreed that neither any provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant.

21.10 Exhibits. All Exhibits attached hereto are incorporated herein by this reference as if fully set forth herein; provided, however, in the event that at the time of the execution of this Agreement any of the Exhibits to be attached are incomplete, the parties shall use their best efforts to complete such Exhibits at the earliest possible date. To the extent this Agreement may be rendered unenforceable by the lack of completion of any of the Exhibits, such defect shall be cured as such incomplete Exhibits are made complete in accordance with this Section, except to the extent that such Exhibits are deemed and stipulated by the parties to be complete on the execution of this Agreement by the parties hereto. If any Exhibits are subsequently changed by the mutual written agreement of the

parties, the Exhibits shall be modified to reflect such change or changes and initialed by the parties.

21.11 Captions. Captions, titles to sections and paragraph headings used herein are for convenience or reference and shall not be deemed to limit or alter any provision hereof.

21.12 Survival. All covenants, agreements, representations and warranties made herein shall survive the execution and delivery of this Agreement. All other documents and instruments to be executed and delivered in accordance herewith shall continue in full force and effect.

21.13 Governing Document. This Agreement shall govern in the event of any inconsistency between this Agreement and any of the Exhibits attached hereto.

ARTICLE 22

PRORATIONS

22.1 Prepaid Expenses, Deposits and Deferred Income. All prepaid utility charges, rent, lease payments, prepaid expenses and deferred income, including, but not limited to, annual or seasonal membership fees, charges, fees, locker rentals, bag storage charges, and all other income and expense items which arose by virtue of the operation of the Club shall be prorated as of the Start Date. All deposits for golf tournaments, private parties and banquets for events that occur after the Start Date, and all current gift certificates or rain checks (on the basis of fifty percent [50%] of face value) which are issued, but not redeemed, prior to the Start Date shall be credited to Tenant and said contracts, agreements, gift certificates and rain checks shall be assumed by Tenant.

22.2 Member Dues. Dues and other charges payable by Members for the month of the Start Date shall be prorated as of the Start Date, except that no proration shall be made for dues or other amounts delinquent as of the Start Date (the “**Delinquent Dues**”). Tenant shall have no liability to Landlord for the Delinquent Dues however; Tenant shall help to collect the Delinquent Dues. Amounts collected by Tenant from any Member owing Delinquent Dues shall be applied first to dues owed by such Member for the period after Start Date and then to dues for the period prior to the Start Date. Any such amounts applicable to the period prior to the Start Date received by Tenant shall be included in the prorations if received prior to the date of the reconciliation set forth in 22.8 below, if received after that date, the amounts will be forwarded to Landlord within fifteen (15) days of receipt by Tenant.

22.3 Accounts Receivable In addition to the treatment of Member Dues outline above, the parties acknowledge that any non Member Dues Accounts Receivable which arise prior to the Start Date belong to Landlord. Tenant shall help collect the Landlord Accounts Receivable and any such amounts received by Tenant shall be included in the prorations if

received prior to the date of the reconciliation set forth in 22.8 below, if received after that date, the amounts will be forwarded to Landlord within fifteen (15) days of receipt by Tenant.

22.4 Accounts Payable. All of Landlord's Payables shall remain Landlord's sole responsibility.

22.5 Inventory. The parties acknowledge that the leased Property does not include the non-perishable Food and Beverage Inventory, the Maintenance Inventory, and the Pro Shop Inventory owned by Landlord (collectively, the "Inventory") and Tenant agrees to pay to Landlord an amount equal to the current wholesale cost for the Inventory (as reasonably determined by Tenant and Landlord) (the "Inventory Cost"). Any food items having an expiration date prior to Start Date and any other Inventory which is obsolete, damaged, or defective as mutually agreed by the parties shall be valued at zero.

22.6 Utilities. Landlord shall notify all water, gas, electric and other utility companies servicing the Property (collectively, the "Utility Companies") of the lease of the Property to Tenant, and shall request that all Utility Companies send Landlord a final bill for the period ending on the Start Date. Tenant shall notify all Utility Companies that as of and from the Start Date, Tenant shall lease the Property and that all utility bills for the period commencing on the Start Date are to be sent to Tenant. Tenant shall place its own deposits with all Utility Companies, and Landlord shall be entitled to a refund of any and all deposits it may have made with all Utility Companies or to a return of any and all payment bonds it may have posted with such Utility Companies. If any of the Utility Companies sends Landlord or Tenant a bill for a period in which the Start Date occurs, Tenant and Landlord shall prorate such bills after Start Date. In connection with such proration, it shall be presumed that all such utility charges were uniformly incurred during the billing period unless the bill specifically provides to the contrary. All utility deposits shall remain the property of Landlord and shall be returned directly to Landlord within five (5) days after the Start Date, to the extent such deposits are delivered to or in the possession of Tenant.

22.7 Operating Leases and Contracts. Tenant agrees to assume all obligations under the Operating Leases arising after the Start Date. Landlord and Tenant agree to use reasonable efforts to obtain any required consents to the assignment of the Operating Leases. Any amounts prepaid or payable under the Operating Leases shall be prorated and adjusted as of the Start Date. Landlord shall notify all service providers servicing the Property (collectively, the "Service Providers") of the lease of the Property to Tenant and shall request that all Service Providers send Landlord a final bill for the period ending on the Start Date. Tenant shall notify all Service Providers that as of and from the Start Date, Tenant shall lease the Property and that any service bills for the period commencing on or after the Start Date are to be sent to Tenant. If any Service Provider sends Landlord or Tenant a bill subsequent to the Start Date which includes charges for services or goods provided before and after the Start Date, Tenant and Landlord shall prorate such bills. In connection with such proration, it shall be presumed that all such service charges were uniformly incurred during the billing period unless the bill specifically provides to the contrary.

22.8 Reconciliation. Landlord and Tenant agree to cooperate and use their best efforts to make any required adjustment of reconciliation on the proration of income and expenses not later than thirty (30) days after the Start Date and in the format of the prortions template attached hereto as Exhibit D. All items of income and expense for the period prior to the Start Date will be for the account of Landlord, and all items of income and expense for the period on and after the Start Date will be for the account of Tenant.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper, duly authorized corporate officers, all as of the day and year first above set forth.

Landlord:

By:_____

Title:_____

Tenant:

EVERGREEN ALLIANCE GOLF LIMITED, L.P., a Delaware
limited partnership

By: Premier Golf EAGL GP, L.L.C., it's
general partner

By:_____

City of Meadowlakes

Agenda Item-VII-C

Items for Consideration

City Council Meeting

June 11, 2013

Date: *June 6, 2013*

To: *Honorable Mayor Williams and Council Persons*

From: *Johnnie Thompson, City Manager*

Agenda Item: *VII-C-Retaining Independent Auditor and/or authorizing City Manager to request for proposal for auditing services*

Requested Council Agenda Date: *June 11, 2013*

Contact Name & Number: *Johnnie Thompson, City Manager*

1. Place On: ☐ *Consent* ☒ *New Business* ☐ *Old Business*

2. Budget Impact Statement Attached: ☐ *Yes* ☐ *No* ☒ *N/A*

3. Original Copies of Documents Approved to from by City Attorney?

☐ *Yes* ☐ *No* ☒ *N/A*

4. Background:

I have attached for your consideration a copy of the engagement letter from the auditing firm of Singleton, Clark & Company for conduction the City's fiscal year 2013 audit.

Last year we requested proposals (RFP) for conducting our annual audit for fiscal year 2012 with an option to conduct up to an additional four years of audits. Due to auditing services being classified as a professional service we are restricted from actually bidding for such work, however we can request fee estimates for such services. Last year's RFP generated fee requests from three firms which I have listed for you below. Council chose Singleton, Clark & Company, PC last year to conduct the fiscal year 2012 audit report. I was on track to recommend that this firm be awarded the 2013 contract as well, however as you can see from the attached engagement letter they have increased their cost to \$2,760 from last year's total and \$2,340 more than they estimated for fiscal year 2013. Their reasoning was that they had underestimated the cost of auditing the golf club and if they honored their original 2013 quoted fee they would barely be covering staff costs.

The dilemma is to approve retaining Singleton, Clark & Company at the increased rate of \$16,600 or requesting proposals once again from other firms. We were extremely pleased with the audit that we received from them last year. Should you approve retaining the firm the cost for the next four years' audits would total nearly \$65,000 (based on a 3% increase per year as originally quoted) compared to the

next firm of Neffendorf, Knopp & Doss, which if they would honor their quoted price would be about \$13,000 less for the same period.

Darilek Bulter & Associates, PLCC

<i>FY 2012</i>	<i>\$17,000</i>
<i>FY 2013</i>	<i>\$17,850</i>
<i>FY 2014</i>	<i>\$18,740</i>
<i>FY 2015</i>	<i>\$19,675</i>
<i>FY 2016</i>	<i>\$20,660</i>
<i>Total 5 year cost</i>	<i>\$93,925</i>

Singleton, Clark & Company, PC

<i>FY 2012</i>	<i>\$13,840</i>
<i>FY 2013</i>	<i>\$14,260</i>
<i>FY 2014</i>	<i>\$14,690</i>
<i>FY 2015</i>	<i>\$15,130</i>
<i>FY 2016</i>	<i>\$15,580</i>
<i>Total 5 year cost</i>	<i>\$73,500</i>

Neffendorf, Knopp & Doss Company, PC

<i>FY 2012</i>	<i>\$13,500</i>
<i>FY 2013</i>	<i>\$13,500</i>
<i>FY 2014</i>	<i>\$14,000</i>
<i>FY 2015</i>	<i>\$14,250</i>
<i>FY 2016</i>	<i>\$14,500</i>
<i>Total 5 year cost</i>	<i>\$69,750</i>

5. Recommendation:

I recommend that due to the drastic increase in cost that we request proposals again for the next five years. It would take very little work on our part to update last year's RFP for conducting fiscal year 2013 through 2017 audits. We only engage the firm for one year at a time. In the past when soliciting proposal the firms have all honored their quoted estimated costs.



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

9442 Capital of Texas Highway North
Arboretum Plaza One, Suite 500
Austin, Texas 78759
[Ph] 512.310.5600
www.singletonclark.com

May 10, 2013

To Our Clients,

Please find enclosed an Engagement Letter for Singleton, Clark & Company to serve as the independent auditing firm for your organization for Fiscal Year 2013. We are extremely grateful for the opportunity you have provided to us in the past to be your auditors and we hope to continue our relationship this year. Our partners and staff promise to continue to make every effort to deliver audit services to you that are planned well, conducted quickly, helpful, and that meet all requirements and deadlines.

Please review the engagement letter, and if the terms are agreeable, return it back to us signed by your organization's chief executive. To ensure the maximum flexibility with scheduling of the preliminary and final audit visits this year, please try to return your engagement letter to us by June 30th.

Feel free to call me at (512) 310-5600 if you have any questions regarding the audit or the engagement letter. Remember, our company has always been based on client service and on being accessible to you when you need us. I look forward to working with you again this year.

Sincerely,

Preston K. Singleton, CPA

Preston K. Singleton, CPA
Singleton, Clark & Company, PC

Enclosure – Audit Engagement Letter FY 2013



**SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS**

9442 Capital of Texas Highway North
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May 10, 2013

To the Honorable Mayor and City Council
City of Meadowlakes, Texas

We are pleased to confirm our understanding of the services we are to provide the City of Meadowlakes, Texas for the year ended September 30, 2013. We will audit the financial statements of the governmental activities, the business-type activities (if any), each major fund, the aggregate remaining fund information, and the discretely presented component units (if any), which collectively comprise the basic financial statements of the City of Meadowlakes, Texas as of and for the year ended September 30, 2013. The following supplementary information accompanying the basic financial statements is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

The following additional information accompanying the basic financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and we will provide an opinion on this information in relation to the basic financial statements:

- 1) Combining Financial Statements of Individual Funds
- 2) Budgetary Comparison Schedules for the General Fund and Debt Service Fund

The following other additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

- 1) Statistical Section (if presented)
- 2) Schedule of Delinquent Taxes (if presented)

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to above when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on –

- Internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the City Council, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of the accounting records, a determination of major programs in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal control and for compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us, including any significant vendor relationships in which the vendor has the responsibility for program compliance. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities (if any), the aggregate discretely presented component units (if any), each major fund, and the aggregate remaining fund information of the City and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud, or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

As part of the audit, we will prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and agreements.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements or material noncompliance with requirements applicable to major programs and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope that would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards and *Government Auditing Standards* and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provision of contracts and grant agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees, and Other

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will also provide copies of the annual financial reports to the City; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Singleton, Clark & Company, PC, and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Singleton, Clark & Company, PC, personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit during the summer months of the 2013 calendar year from our office and also with a preliminary visit to the City's administration office during that time, conduct final audit procedures during early 2014, and to issue our reports no later than the sixth month after the City's fiscal year end. Exact dates will be arranged with the City's Director of Finance or other individual responsible for coordination of the audit. We estimate our fee for these services will be \$16,600 which will be billed as the audit progresses in the following manner: Thirty percent (30%) of the estimated audit fee will be billed after completion of the preliminary audit procedures, fifty percent (50%) of the estimated audit fee will be billed after completion of the final audit procedures, and the remaining twenty percent (20%) of the estimated fee will be billed after issuance of the audit report and presentation to the City Council. The above fee is based on anticipated cooperation from City personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary to complete the audit due to unforeseen events or the condition of the accounting records, we will discuss it with you as soon as possible to arrive at a new fee estimate before we incur the additional costs.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our most recent peer review report, dated March 9, 2012, accompanies this letter.

Parties to this engagement agree to attempt to negotiate the settlement of any disputes arising from this engagement. The parties further agree that, before resorting to arbitration or litigation, they will submit any dispute arising from this engagement to mediation by presenting a written request for mediation to the other party to the engagement. All mediations initiated as a result of this agreement shall be administered by the American Arbitration Association under its mediation rules and shall occur in Austin, Texas. The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by all parties.

Our liability for all claims, damages and costs of the City arising from this engagement is limited to the total amount of fees paid by the City to us for the services rendered under this agreement. Any dispute regarding this engagement will be governed by the laws of the State of Texas without regard to the conflict of laws or provisions thereof. The parties agree that any legal action will be taken in the State or Federal courts in Travis Council, Texas.

The City agrees to hold Singleton, Clark & Company, PC and its partners, heirs, executors, personal representatives, and successors harmless from any and all claims of the City which arise from knowing misrepresentations to Singleton, Clark & Company, PC personnel by the management of the City, or the intentional withholding or concealment of information from Singleton, Clark & Company, PC personnel by the management of the City. The City also agrees to indemnify Singleton, Clark & Company, PC for any and all claims made against Singleton, Clark & Company, PC by third parties which arise from any of these actions by the management of the City, as long as Singleton, Clark & Company, PC is not negligent in the performance of its services.

We appreciate the opportunity to be of service to the City of Meadowlakes, Texas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Preston K. Singleton, CPA

Preston K. Singleton, CPA
Singleton, Clark & Company, PC

RESPONSE:

This letter correctly sets forth the understanding of the City of Meadowlakes, Texas.

By: _____

Title: _____

Date: _____



Tel: 210-342-8000
Fax: 210-342-0866
www.bdo.com

40 NE Loop 410
Suite 200
San Antonio, TX 78216

System Review Report

March 9, 2012

To the Shareholders
Singleton, Clark & Company, PC
and the Peer Review Committee of the Texas Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Singleton, Clark & Company, PC, (the firm) in effect for the year ended September 30 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Singleton, Clark & Company, PC, in effect for the year ended September 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Singleton, Clark & Company, PC has received a peer review rating of *pass*.

BDO USA, LLP

City of Meadowlakes

Items for Consideration

City Council Meeting

June 11, 2013

Agenda Item-VI-D

Date: *June 5, 2013*

To: *Honorable Mayor Williams and Council Persons*

From: *Johnnie Thompson, City Manager*

Agenda Item: *VII-D-Ordinance 2013-02 Adopting Code of Ordinances*

Requested Council Agenda Date: *June 11, 2013*

Contact Name & Number: *Johnnie Thompson, City Manager*

1. Place On: ☐ *Consent* ☒ *New Business* ☐ *Old Business*

2. Budget Impact Statement Attached: ☐ *Yes* ☐ *No* ☒ *N/A*

3. Original Copies of Documents Approved to from by City Attorney?

☒ *Yes* ☐ *No* ☐ *N/A*

4. Background:

Hopefully, we are putting to rest (at least for the immediate future) the codification of our ordinances. This has been a long, tedious process that we began in June of 2011. The Ordinance as attached will adopt the Codes that we discussed in our workshop last week. Stephanie has received confirmation from Municode on Tuesday that they have added the golf cart ordinance to code and we should have hard copies of this addition by your meeting on Tuesday as well. Either Stephanie or I will brief you in more detail on this item at your meeting.

Note from Stephanie: After the Building Committee finishes their recommendations, I would like to have one FINAL (I promise!) workshop to ensure all of the minor changes that Municode missed and the revised fee schedule are incorporated into one Ordinance that we will pass, at which point we will truly have the most updated Code of Ordinances. The timeframe for this workshop will be later this summer, perhaps piggybacked onto a budget workshop.

5. Recommendation

Staff recommends that Ordinance 2013-02 be adopted which will adopt the new code of ordinances. Legal has reviewed the ordinance and has given her approval.

City of Meadowlakes

ORDINANCE 2013-02

June 11, 2013

AN ORDINANCE ADOPTING AND ENACTING A NEW CODE FOR THE CITY OF MEADOWLAKES, TEXAS; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.

BE IT ORDAINED BY THE CITY COUNCIL:

Section 1. The Code entitled "Code of Ordinances, City of Meadowlakes, Texas," published by Municipal Code Corporation, consisting of chapters 1 through 32, each inclusive, is adopted.

Section 2. All ordinances of a general and permanent nature enacted on or before Nov. 13, 2012, and not included in the Code or recognized and continued in force by reference therein, are repealed.

Section 3. The repeal provided for in Section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

Section 4. Unless another penalty is expressly provided, every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be punished in accordance with Code section 1-18. Each act of violation and each day upon which any such violation shall continue or occur shall constitute a separate offense. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the city may pursue other remedies such as abatement of nuisances, injunctive relief and revocation of licenses or permits.

Section 5. Additions or amendments to the Code when passed in such form as to indicate the intention of the city to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

Section 6. Ordinances adopted after Nov. 13, 2012, that amend or refer to ordinances that have been codified in the Code, shall be construed as if they amend or refer to like provisions of the Code.

Section 7. It is hereby declared to be the intention of the City Council of the City of Meadowlakes, Texas that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared unconstitutional by a valid judgment or decree of any court or competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this ordinance, since the same would have been enacted by the City Council without incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section 8. The city secretary of the City of Meadowlakes, Texas is hereby directed to engross and enroll this ordinance by copying the caption, penalty clause, and effective date clause of this ordinance in the minutes of the City Council of the City of Meadowlakes and by filling said ordinance in the ordinance records of the City.

Section 9. The city secretary of the City of Meadowlakes is hereby directed to publish the caption, penalty clause, publication clause and the effective date clause of this ordinance for two (2) days in the official newspaper of the City of Meadowlakes, as authorized by Section 52.013 of the Texas Local Government Code.

Section 10. This ordinance shall take effect immediately from and after its passage and publication in accordance with the publication provisions as so stated in Section 6 of this ordinance.

Section 11. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Texas Open Meetings Act.

Passed and Adopted by the City Council of the City of Meadowlakes on this 11th day of June, 2013.

Don Williams, Mayor

ATTEST:

Stephanie Littleton, City Secretary

City of Meadowlakes

Items for Consideration

City Council Meeting

June 11, 2013

Agenda Item-VI-E

Date: *June 6, 2013*

To: *Honorable Mayor Williams and Council Persons*

From: *Johnnie Thompson, City Manager*

Agenda Item: *VII-E-Paperless Agenda Packets*

Requested Council Agenda Date: *June 11, 2013*

Contact Name & Number: *Johnnie Thompson, City Manager*

1. **Place On:** ☐ *Consent* ☒ *New Business* ☐ *Old Business*
2. **Budget Impact Statement Attached:** ☐ *Yes* ☒ *No* ☐ *N/A*
3. **Original Copies of Documents Approved to from by City Attorney?**
☐ *Yes* ☐ *No* ☒ *N/A*
-

4. Background:

As you are aware staff has been reviewing the possibility of going to a paperless agenda packet for the Council meetings. We have done a considerable amount of research on this subject and have explored everything from laptops to various types of tablet computers to I-Pads.

The current trend seems to be swayed toward the use of I-Pads, mainly due to their ease of operation and portability. The I-Pad along with an application called I-Annotate can be used to mark up a .pdf file very similar to the way one would with a hard copy. This app is very user friendly allowing you to highlight areas of concern, make type notes or even hand write notes to .pdf documents. You can either save your markups, email or print them. I have been using the app for about a month now and the more I use it the better I like it. The proposal is to purchase a total of 8 I-Pads at a cost of approximately \$500 each for a total of approximately \$4,000. Funding would be from excess funds from the purchase of the lot adjacent to City Hall and from budgeted funds from capital expenditures under \$5,000.

5. Recommendation

Currently agenda packets average about 80 pages per month which will increase to 100 plus pages during the next few months since we will be dealing with budget

information. The cost of producing each packet not including labor runs about \$5 each or about \$50 per month, \$600 a year. We currently produce both hard copies and electronic copies of the agenda, the electronic one being posted on our web site and emailed to you each month.

While it does not appear that the cost savings is great, the convenience of having the prior 5-6 months agenda packets available at your fingertips helps justify the cost. It's also better for the environment. Also, we anticipate installing a City email address for each of you, by doing this and utilizing the City email address for your city related work it would eliminate some of your personal electronic information becoming subject to the public by freedom of information requests.