



CITY COUNCIL SPECIAL CALLED MEETING CITY OF BAY CITY

Thursday, June 18, 2026 at 4:00 PM
COUNCIL CHAMBERS | 1901 5th Street

COUNCIL MEMBERS

Mayor: Robert K. Nelson

Mayor Pro Tem: Jim Folse

Council Members: Benjamin Flores, Jim Folse, Bradley Westmoreland, Susan Reardon, Blayne Finlay

Vision Statement

We envision Bay City as a thriving, family-centered community where our citizens can live, work, worship, and play, while welcoming visitors to experience our beautiful environment and diverse culture.

AGENDA

THE FOLLOWING ITEM WILL BE ADDRESSED AT THIS OR ANY OTHER MEETING OF THE CITY COUNCIL UPON THE REQUEST OF THE MAYOR, ANY MEMBER(S) OF COUNCIL AND/OR THE CITY ATTORNEY:

ANNOUNCEMENT BY THE MAYOR THAT COUNCIL WILL RETIRE INTO CLOSED SESSION FOR CONSULTATION WITH CITY ATTORNEY ON MATTERS IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE OPEN MEETINGS ACT (TITLE 5, CHAPTER 551, SECTION 551.071(2) OF THE TEXAS GOVERNMENT CODE).

CALL TO ORDER AND CERTIFICATION OF QUORUM

INVOCATION & PLEDGE

Texas State Flag Pledge: "Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."

Mayor Robert K. Nelson

MISSION STATEMENT

The City of Bay City promotes economic growth and invests in quality-of-life initiatives through collaboration. We respond promptly and professionally to residents' concerns and strive to deliver superior municipal services.

Mayor Robert K. Nelson

APPROVAL OF AGENDA

PUBLIC COMMENTS

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff place the item on an agenda for a subsequent meeting.

ACKNOWLEDGEMENT FROM CITY MANAGER

ITEMS / COMMENTS FROM THE MAYOR & COUNCIL MEMBERS

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL

1. **Election ~ Discuss, consider, and/or approve the canvassing of the Run-Off Election returns for the election held on Saturday, June 13, 2026.** Robert K. Nelson, Mayor
2. **Resolution ~ A Resolution of the City Council of the City of Bay City, Texas ("City"), approving (I) The resolution of the Board of Directors of Bay City Community Development Corporation ("Corporation") regarding a loan in the amount of \$14,000,000.00; (II) a sales tax remittance agreement between the City and the Corporation; (III) Resolving other matters incident and related to the loan; and (IV) the authority of the Mayor to execute, on behalf of the City, a General Certificate of the City and the Sales Tax Remittance Agreement.** Scotty Jones, City Manager

ITEMS / COMMENTS FROM THE MAYOR, COUNCIL MEMBERS AND CITY MANAGER**ADJOURNMENT****AGENDA NOTICES:**

Attendance By Other Elected or Appointed Officials: It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

CERTIFICATION OF POSTING

This is to certify that the above notice of a Regular Called Council Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on **June 12, 2026 before 4:00 p.m.** Any questions concerning the above items, please contact the Mayor and City Manager's office at (979) 245-2137.



**AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF BAY CITY, TEXAS**

Meeting Date:	6/18/2026	Date Submitted:	6/12/2026
Prepared By:	J Thompson	Presented By <i>(if different)</i>	Mayor
Department:	City Secretary	Type of Agenda Item:	Regular

ITEM TITLE: Canvass of Run-Off Election, June 13, 2026
AGENDA LANGUAGE:
Discuss, consider, and/or approve the canvassing of the Run-Off Election returns for the election held on Saturday, June 13, 2026

EXECUTIVE SUMMARY/BACKGROUND
Runoff Election held June 13, 2026 for purpose of electing Council Position #1.

STRATEGIC PLAN GOALS ADDRESSED:											
	<input type="checkbox"/>		<input checked="" type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
Safety & Community Appearance		Community & Civic Engagement		Infrastructure		Planning & Development		Culture & recreation		Operational Excellence	

FINANCIAL NOTES
<ul style="list-style-type: none"> N/A

RECOMMENDATION: Approve the tally of votes

ATTACHMENTS: Pct. Returns, Cumulative Results, Canvass Certification,

Cumulative Results Report

Election Night 6/13/26

Run Time 3:32 PM

Run Date 06/16/2026

CITY OF BAY CITY, TEXAS

GENERAL RUNOFF ELECTION

6/13/2026

Page 1

Official Results

Registered Voters

376 of 9387 = 4.01%

Precincts Reporting

6 of 6 = 100.00%

City of Bay City Council, Position 1 - Vote for none or one

Choice	Party	Absentee Voting		Early Voting		Election Day Voting		Total	
Cory McCray		31	62.00%	132	57.39%	54	56.25%	217	57.71%
Stacy L. Rowh		19	38.00%	98	42.61%	42	43.75%	159	42.29%
Cast Votes:		50	100.00%	230	100.00%	96	100.00%	376	100.00%
Undervotes:		0		0		0		0	
Overvotes:		0		0		0		0	

*** End of report ***



**EXECUTIVE SUMMARY
BUSINESS OF THE CITY COUNCIL
CITY OF BAY CITY, TEXAS**

Meeting Date:	6/18/2026	Date Submitted:	6/12/2026
Prepared By:	Scotty Jones, City Manager	Presented By <i>(if different)</i>	
Department:	Administration	Type of Agenda Item:	Regular

ITEM TITLE: Resolution- BCCDC Loan for Aquatic Center

AGENDA LANGUAGE:

A Resolution of the City Council of the City of Bay City, Texas (“City”), approving (I) the Resolution of the Board of Directors of Bay City Community Development Corporation (“Corporation”) regarding a loan in the amount of \$14,000,000.00; (II) a sales tax remittance agreement between the City and the Corporation; (III) resolving other matters incident and related to the loan; and (IV) the authority of the Mayor to execute, on behalf of the City, a general certificate of the City and sales tax remittance agreement.

EXECUTIVE SUMMARY/BACKGROUND

Government Capital has provided the documents for execution in order to close the loan for the funding of the Aquatic Center in the amount of \$14,000,000.

- **Resolution:** a City Council resolution approving the CDC’s resolution authorizing the loan and the sales tax remittance.
- **Certificate of City Secretary:** Certifies that the Council approved the loan by resolution; this page requires only the City Secretary’s signature.
- **Sales Tax Remittance Agreement:** Confirms that the CDC receives, and will continue to receive, the sales tax.
- **General Certificate of City:** Affirms that the CDC was properly established and is authorized to use sales tax revenue for the loan.

STRATEGIC PLAN GOALS ADDRESSED:

	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>		<input type="checkbox"/>
Safety & Community Appearance		Community & Civic Engagement		Infrastructure		Planning & Development		Culture & recreation		Operational Excellence	

FINANCIAL NOTES

Loan is authorized for \$14,000,000 to the Bay City Community Development Corporation to finance the aquatic center.

RECOMMENDATION: Approve the resolution and related documents thereof

ATTACHMENTS: Resolution, Certificate of City Secretary
Sales Tax Remittance Agreement, General Certificate

2. The attached resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the City Council on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of said meeting was given to each member of the Council; and that said meeting, and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the above-entitled resolution, was posted and given in advance thereof in compliance with the provisions of V.T.C.A., Chapter 551, Government Code, as amended.

IN WITNESS WHEREOF, I have hereunto signed my name officially on the date first written above.

Jeanna Thompson, City Secretary

RESOLUTION NO. R-2026-021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS (“CITY”), APPROVING (I) THE RESOLUTION OF THE BOARD OF DIRECTORS OF BAY CITY COMMUNITY DEVELOPMENT CORPORATION (“CORPORATION”) REGARDING A LOAN IN THE AMOUNT OF \$14,000,000.00; (II) A SALES TAX REMITTANCE AGREEMENT BETWEEN THE CITY AND THE CORPORATION; (III) RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE LOAN; AND (IV) THE AUTHORITY OF THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A GENERAL CERTIFICATE OF THE CITY AND THE SALES TAX REMITTANCE AGREEMENT.

WHEREAS, the Bay City Economic Development Corporation (the “*Corporation*”) has been duly created and organized pursuant to the provisions of Chapter 505, Local Government Code, as amended (formerly Section 4B of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended) (the “*Act*”) by the City of Bay City, Texas (the “*City*”); and

WHEREAS, pursuant to the Act, the Corporation is empowered to borrow money for the purpose of financing the cost of any “*project*” defined as such by the Act; and

WHEREAS, the Board of Directors of the Corporation has found and determined that acquisition, construction and equipment of a community aquatic center (the “*Project*”) is an authorized project under the Act and loan proceeds may be used for such financing pursuant to that certain Loan Agreement, dated as of June 24, 2026, (as amended, restated, supplemented and/or otherwise modified, the “*Loan Agreement*”) in the original principal amount of \$14,000,000.00 (the “*Loan*”) between the Corporation and Government Capital Corporation (the “*Lender*”); and

WHEREAS, the Corporation proposes to enter into a Sales Tax Remittance Agreement, dated as of June 24, 2026, (as amended, restated, supplemented and/or otherwise modified, the “*Sales Tax Remittance Agreement*”) with the City; pursuant to, which among other things, the Corporation will pledge its sales tax revenues to the Lender to secure repayment of the Loan;

WHEREAS, the Act requires the City Council of the City approve the resolution of the Corporation providing for the execution and delivery of the Loan Agreement.

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

Section 1. The Resolution approving the Loan Agreement and authorizing the issuance of the Series 2026 Note (as defined in the Loan Agreement) authorized by the Corporation (the “*Corporation Resolution*”) on June 5, 2026, and submitted to the City Council this day, is hereby approved in all respects. The Series 2026 Note is being issued to finance the costs of the Project and to pay the Costs of Issuance (as defined in the Loan Agreement).

Section 2. The approvals herein given are in accordance with the Act, and the Series 2026 Note shall never be construed an indebtedness or pledge of the City, or the State of Texas (the “*State*”), within the meaning of any constitutional or statutory provision, and the owner of the Note shall never be paid in whole or in part out of any funds raised or to be raised by taxation (other than sales tax proceeds as authorized pursuant to Chapter 505 of the Act) or any other revenues of the Corporation, the City, or the State, except those revenues assigned and pledged by the Loan Agreement and the Sales Tax Remittance Agreement.

Section 3. The City hereby agrees to promptly collect and remit to the Corporation the Economic Development Sales and Use Tax (defined in the Loan Agreement) to provide for the prompt payment of the Series 2026 Note, and to assist and cooperate with the Corporation in the enforcement and collection of sales and use taxes imposed on behalf of the Corporation.

Section 4. The Sales Tax Remittance Agreement presented to the City Council on this day, with respect to the obligations of the City and Corporation during the time the Series 2026 Note is outstanding, is hereby approved as to form and substance. Furthermore, the Mayor and the City Secretary and the other officers of the City are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution.

Section 5. It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by V.T.C.A. Government Code, Chapter 551, as amended.

Section 7. This Resolution shall be in force and effect from and after its passage on the date shown below.

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PASSED AND ADOPTED, this June 18, 2026.

CITY OF BAY CITY, TEXAS

Robert K. Nelson, Mayor

ATTEST:

Jeanna Thompson, City Secretary

CERTIFICATE FOR RESOLUTION

On June 5, 2026, we, the undersigned officers of the Bay City Community Development Corporation (the "Corporation"), hereby certify as follows:

1. The Board of Directors of the Corporation convened in Regular/Special Meeting on June 5, 2026 at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board of Directors, to wit:

Jim Folse	President
Erandi Allison	Vice President
Clint Hewitt	Secretary
Alisha Cornett	Treasurer
Ben Flores	Board Member
Bruce Krauskopf	Board Member
Bradley Westmoreland	Board Member

and all of said persons were present, except the following absentees: ^{Ben Flores,} ~~Clint Hewitt,~~ ~~Bruce Krauskopf~~ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAY CITY
COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING A
LOAN FOR A DEVELOPMENT PROJECT AND OTHER MATTERS
RELATED THERETO**

was duly introduced for the consideration of said Board of Directors and read in full. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of the Board of Directors shown present above voted "Aye" except as shown below.

NOES:

ABSTAIN:

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board of Directors' minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board of Directors' minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and

acting officers and members of said Board of Directors as indicated therein; that each of the officers and members of said Board of Directors was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the President of the Board of Directors of the Corporation has approved and hereby approves the aforesaid Resolution; that the President and the Secretary of said Corporation have duly signed said Resolution; and that the President and the Corporation Secretary of said Corporation hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

Signed on the date first written above.

A handwritten signature in black ink, appearing to read 'Clint Hewitt', written over a horizontal line.

Clint Hewitt
Secretary, Board of Directors

A handwritten signature in black ink, appearing to read 'Jim Folse', written over a horizontal line.

Jim Folse
President, Board of Directors

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BAY CITY
COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING A
LOAN FOR A DEVELOPMENT PROJECT AND OTHER MATTERS
RELATED THERETO**

WHEREAS, the Bay City Community Development Corporation ("Borrower") is a nonprofit economic development corporation duly established and created pursuant to Chapters 501, 502 and 505, Texas Local Government Code, as amended (formerly Section 4B of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended), (the "Act"), by or on behalf of the City of Bay City, Texas (the "City"), a home-rule municipality; and

WHEREAS, the Board of Directors (the "Board") of the Borrower has previously authorized the Borrower to undertake the construction and equipment of a community aquatic center (the "Project") on certain real property (the "Property") which is, or will be prior to closing, owned by the Borrower; and

WHEREAS, the City and Matagorda County, Texas (the "County") have each found and determined that the Project will promote local economic development and have each agreed to contribute funds to assist in completing the Project in accordance with the City Agreement, as defined herein, and the County Agreement, as defined herein, respectively; and

WHEREAS, the City and the Borrower have entered into that certain Chapter 380 Economic Development Program and Performance Agreement (the "City Agreement") as authorized under Chapter 380, Texas Local Government Code whereby the City has agreed to deliver City funds to the Borrower in annual installments for a period of ten (10) years to offset the costs of the Project, as further set forth in the City Agreement; and

WHEREAS, the County and the Borrower have entered into that certain Chapter 381 Economic Development Program and Performance Agreement (the "County Agreement") as authorized under Chapter 381, Texas Local Government Code whereby the County has agreed to deliver County funds to the Borrower in annual installments for a period of ten (10) years to offset the costs of the Project, as further set forth in the County Agreement; and

WHEREAS, the Borrower proposes to enter into a Loan Agreement dated as of June 24, 2026 (as amended, restated, supplemented and/or otherwise modified, the "Loan Agreement"), with Government Capital Corporation, as lender ("Lender") to enable the Borrower (1) finance the costs of the Project, and (2) pay costs of issuing the loan, (the "Loan"), to be evidenced by a promissory note of even date therewith (the "Note") in a principal amount equal to \$14,000,000 and as security for the payment of the principal of and interest thereon, the Borrower has agreed to: (a) pledge its Economic Development Sales and Use Tax; (b) execute and delivery to Lender a Collateral Assignment of Contract Rights (the "Assignment") assigning to Lender the Borrower's rights to receive the annual payments due under the City Agreement and the County Agreement; and (3) execute and deliver a deed of trust (the "Deed of Trust") granting a first lien security interest on the Property for the benefit of the Lender. All capitalized terms used herein,

but not otherwise defined herein, shall have the meaning ascribed to such term in the Loan Agreement.

WHEREAS, the proposed form of the Loan Agreement, the Note, the Assignment, the Deed of Trust and the Sales Tax Remittance Agreement (as defined in the Loan Agreement) (collectively the “Loan Documents”) have been presented to the Board at this meeting.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BAY CITY COMMUNITY DEVELOPMENT CORPORATION AS FOLLOWS:

Section 1. The Board of Directors hereby agrees to the terms of the Loan as set forth in the Loan Documents and further agrees to execute and deliver the Loan Documents to the Lender at Closing.

Section 2. That any one or more of the Authorized Officers of the Borrower listed in Section 3 below be, and each of them hereby is, authorized to execute, acknowledge and deliver in the name and on behalf of Borrower to the Lender the Loan Documents. The Loan Documents shall be in substantially the form presented to this meeting with such changes as the signing officer shall determine to be advisable. Further, said Authorized Officers are authorized to execute, acknowledge and deliver in the name and on behalf of the Borrower any other agreement, instrument, certificate, representation and document, and to take any other action as may be advisable, convenient or necessary to enter into such Loan Documents; the execution thereof by any such Authorized Officer shall be conclusive as to such determination.

Section 3. That for the purpose of this resolution, the following persons, or the persons holding the following positions, are “*Authorized Officers*” duly authorized to enter into the transaction contemplated by this resolution in the name and on behalf of Borrower:


<u>Name</u>	<u>Title</u>
Jim Folse	President
Erandi Allison	Vice-President
Alisha Cornett	Treasurer
Clint Hewitt	Secretary

Section 4. That there is hereby authorized the execution and delivery by the Authorized Officers or any one of them in the name of and on behalf of Borrower the Loan Documents in substantially the form presented to this meeting with such changes as the signing officer shall determine advisable, and the execution thereof shall be conclusive as to such determination.

Section 5. That this Resolution shall take effect immediately.

PASSED AND ADOPTED this June 5, 2026.

**BAY CITY COMMUNITY DEVELOPMENT
CORPORATION**

By: 
Jim Folse, President

ATTEST:

By: 
Clint Hewitt, Secretary

**SALES TAX REMITTANCE AGREEMENT
SERIES 2026 NOTE**

This **SALES TAX REMITTANCE AGREEMENT** (as amended, restated, supplemented and/or otherwise modified, this “*Agreement*”) is made to be effective as of June 24, 2026, by and between the **CITY OF BAY CITY, TEXAS**, a duly incorporated and existing home rule city operating and existing under the laws of the State of Texas (the “*City*”) and the **BAY CITY COMMUNITY DEVELOPMENT CORPORATION**, a nonprofit development corporation organized and existing under the laws of the State of Texas, including Chapter 505, Local Government Code, as amended (formally Section 4B of the Development Corporation Act of 1979, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended) (the “*Corporation*”).

RECITALS

WHEREAS, the Corporation on behalf of the City is to finance the costs to acquire, construct and equip a community aquatic center (the “*Project*”) to promote economic development in the City; and

WHEREAS, such financing contemplates the issuance of the Corporation’s tax-exempt note in a principal amount of \$14,000,000 (the “*Series 2026 Note*”), and the proceeds are to be used by the Corporation to complete the Project.

AGREEMENT

1. **Financing:** For and in consideration of the City’s covenants and agreements herein contained and subject to the terms contained herein, the Corporation hereby agrees to enter into a Loan Agreement dated of even date herewith (as same may be amended, restated, supplemented and/or otherwise modified, the “*Loan Agreement*”), with Government Capital Corporation (the “*Lender*”), and to execute the Series 2026 Note, and the Corporation hereby agrees and covenants that all proceeds of the loan evidenced by the Note shall be used solely to pay the costs of the Project and to pay all costs related thereto.

2. **Receipt and Transfer of Proceeds of Sales Tax.** The City agrees, in cooperation with the Corporation, to take such actions as are required to cause the “*Sales Tax*” received from the Comptroller of Public Accounts of the State of Texas for and on behalf of the Corporation to be deposited immediately upon receipt by the City to the credit of the Corporation.

3. **Modifications.** This Agreement shall not be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge this Agreement in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought and approved in writing by the Lender.

4. **Entire Agreement.** This Agreement contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior agreements and understandings between the parties pertaining to such subject matter.

5. **Counterparts.** This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

6. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

7. **Applicable Law.** This Agreement shall in all respects be governed by, and construed in accordance with, the substantive federal laws of the United States and the laws of the State of Texas.

8. **Captions.** The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

9. **Capitalized Terms.** All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date and year first above written.

**BAY CITY COMMUNITY DEVELOPMENT
CORPORATION**

Jim Folse, President

ATTEST:

Clint Hewitt, Secretary

CITY OF BAY CITY, TEXAS

Robert K. Nelson, Mayor

ATTEST:

Jeanna Thompson, City Secretary

GENERAL CERTIFICATE OF CITY
SERIES 2026 NOTE

As of June 24, 2026, we, the undersigned duly authorized officers of the CITY OF BAY CITY, TEXAS ("City") acting in our official capacities as such, hereby certify with respect to the Loan Agreement dated as of June 24, 2026, (as same may be amended, restated, supplemented and/or otherwise modified, the "Loan Agreement") by and between BAY CITY COMMUNITY DEVELOPMENT CORPORATION ("Corporation") and GOVERNMENT CAPITAL CORPORATION ("Lender") authorizing a loan evidenced by a promissory note in the principal amount of \$14,000,000 (the "Note"), as follows:

1. All capitalized terms used herein shall have the meaning set forth for such term in the Loan Agreement unless the context clearly indicates otherwise.
2. The City is a duly incorporated home rule city, operating and existing under the Constitution and the laws of the State of Texas.
3. The City has duly authorized the creation of the Corporation under the Act.
4. Attached hereto as Exhibit "A" are true, correct, and full copies of the proceedings pertaining to the levy of the Economic Development Sales and Use Tax and the election at which the Economic Development Sales and Use Tax was approved by the voters of the City.
5. No Litigation is pending or, to the best of their knowledge, threatened against the City with respect to the issuance by the Corporation of the Note, the Loan Agreement or the Sales Tax Remittance Agreement, the creation of the Corporation or the title or authority of the governing body or director of the Corporation.

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IN WITNESS WHEREOF, we have duly executed this certificate on the date first written above.

CITY OF BAY CITY, TEXAS

By: _____
Robert K. Nelson, Mayor

ATTEST:

By: _____
Jeanna Thompson, City Secretary

EXHIBIT A

1

MINUTES

REGULAR COUNCIL MEETING

THURSDAY, MAY 12, 1994

AT 7:30 P.M.

On Thursday, May 12, 1994, at 7:30 p. m., the City Council met in a Regular Session with **MAYOR CHARLES MARTINEZ** presiding.

Council Members present were: **MAYOR PRO-TEM MARK A. FINLAY, COUNCILWOMAN VERNA R. HENDERSON, COUNCILMAN PASQUAL MARTINEZ, COUNCILMAN C. GLEN WALKER** and **COUNCILMAN PHILIP S. KOONCE**.

Staff Members present were: **TAMMY EVANS**, City Secretary; **LIZA NELSON**, Mayor's Secretary; **B. ALLEN CUMBIE**, City Attorney; **JIM HENDRICKSON**, Chief Building Official; **GILES SHINE**, Police Department and **ROY HITZFELD**, Human Resource Coordinator.

The News Media was represented by **NANCY MCCORMICK** of The Daily Tribune and **MARGARET SANDLIN** of KMKS Radio Station.

There were eleven (11) registered visitors.

CALL TO ORDER

MAYOR MARTINEZ called the meeting to order at 7:30 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE - Councilwoman Verna R. Henderson

COUNCILWOMAN VERNA R. HENDERSON gave the Invocation and led the Pledge of Allegiance.

CERTIFICATION OF QUORUM

MAYOR MARTINEZ certified a quorum was satisfied with four (4) out of five (5) Council Members present. **MAYOR PRO-TEM MARK A. FINLAY** was running late.

APPROVAL OF AGENDA

MAYOR MARTINEZ noted a correction be made on Item #12 regarding the payment of estimate number 1, changing \$5,955.80 to \$5,855.80; reported that **B. ALLEN CUMBIE** requested Item #15 regarding final payment to Rhode Construction be moved from the Consent Agenda under Item #22; and move Item #22 regarding the waiving of permitting fees be moved under Item #19.

On a motion made by **COUNCILMAN KOONCE** and second by **COUNCILWOMAN HENDERSON**, Council approved the agenda with these changes.

CANVASS VOTES FOR THE MAY 7, 1994 GENERAL & SPECIAL ELECTION

MAYOR PRO-TEM MARK A. FINLAY arrived.

TAMMY EVANS reported for the record the votes cast as specified on the return sheets as follows:

COUNCIL POSITION #1	VERNA R. HENDERSON	1,024
COUNCIL POSITION #2	C. GLEN WALKER	1,183
PROPOSITION #1 ECONOMIC DEVELOPMENT TAX		FOR: 786 AGAINST: 607
PROPOSITION #2 PROPERTY REDUCTION TAX		FOR: 947 AGAINST: 446

On a motion made by **COUNCILWOMAN HENDERSON** and second by **COUNCILMAN MARTINEZ**, Council accepted the canvassed votes as is.

DISCUSSION AND POSSIBLE ACTION ON A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, CANVASSING THE RETURNS AND DECLARING THE RESULT OF AN ELECTION HELD ON MAY 7, 1994, REGARDING PROPOSITIONS 1 & 2 - SALES & USE TAX INCREASE

MAYOR MARTINEZ read for the record the caption of the Resolution as follows:

A RESOLUTION OF THE CITY OF BAY CITY, TEXAS, CANVASSING THE RETURNS AND DECLARING THE RESULTS OF AN ELECTION HELD ON MAY 7, 1994, TO CONSIDER A PROPOSITION ON WHETHER TO ADOPT AN ADDITIONAL SALES AND USE TAX FOR THE PROMOTION AND DEVELOPMENT OF NEW AND EXPANDED BUSINESS ENTERPRISES AT THE RATE OF ONE-HALF OF ONE PERCENT AND A PROPOSITION ON WHETHER TO ADOPT AN ADDITIONAL SALES AND USE TAX OF ONE-HALF OF ONE PERCENT TO BE USED TO REDUCE THE PROPERTY TAX RATE

On a motion made by COUNCILMAN WALKER and second by COUNCILWOMAN HENDERSON, Council adopted the resolution.

APPROVAL OF MINUTES - Regular Council Meeting of May 5, 1994

On a motion made by COUNCILMAN WALKER and second by COUNCILMAN MARTINEZ, Council tabled Item #7.

HEAR VISITORS

MARY FRANCES HATCHETT introduced the Junior Service League Provisional Group: PEGGY WILKINSON, SUSAN FRANKSON, ROBIN HARING and LISA VOLKMER.

MAYOR MARTINEZ commended the Junior Service League for contributions made to the community.

CONSENT AGENDA ITEMS: 9 -18

CONSIDER AND/OR AUTHORIZE PAYMENT OF ESTIMATE NUMBER 3, JOB NUMBER 023-06, CONTRACT NUMBER 1, TO TRASK INDUSTRIES, INC., FOR \$20,632.50 FOR CONSTRUCTION OF WASTEWATER TREATMENT PLANT CONTROL BUILDING

CONSIDER AND/OR AUTHORIZE PAYMENT OF ESTIMATE NUMBER 1, JOB NUMBER 023-97, CONTRACT NO. 1, TO W.W. PAYTON CORPORATION, FOR \$39,330.00 FOR CONSTRUCTION OF MONITORING AND CONTROL SYSTEM FOR WATER & SEWER FACILITIES

CONSIDER AND/OR APPROVE CHANGE ORDER NO. 1 AND FINAL, JOB NUMBER 023-05, CONTRACT NO. 1 DECREASING THE FINAL CONTRACT AMOUNT BY \$1,092.03 AFTER RECAPITULATION OF QUANTITIES

CONSIDER AND/OR AUTHORIZE PAYMENT OF ESTIMATE NUMBER 3 (FINAL), JOB NUMBER 023-05, CONTRACT NO. 1 CONTRACT NUMBER 1, TO D.E. WILLIAMS CONTRACTING CO., INC. FOR \$5,855.80 FOR REHABILITATION OF SANITARY SEWER MANHOLES

CONSIDER AND/OR AUTHORIZE ISSUANCE OF CERTIFICATE OF ACCEPTANCE, JOB NUMBER 023-05, CONTRACT NO. 1, TO D.E. WILLIAMS CONTRACTING CO., INC. AND AUTHORIZE THE MAYOR TO EXECUTE SAME

CONSIDER AND/OR APPROVE CHANGE ORDER NO. 6 FINAL, JOB NUMBER 023-86, CONTRACT NO. 1 INCREASING THE FINAL CONTRACT AMOUNT BY \$2,449.20 AFTER RECAPITULATION OF QUANTITIES

CONSIDER AND/OR AUTHORIZE ISSUANCE OF CERTIFICATE OF ACCEPTANCE, JOB NUMBER 023-86, CONTRACT NO. 1, TO RHODE CONSTRUCTION COMPANY AND AUTHORIZE THE MAYOR TO EXECUTE SAME

CONSIDER APPOINTMENT OF GERALD B. 'JERRY' LEWIS TO THE BAY CITY ARTS COUNCIL, TO FILL UNEXPIRED TERM OF THE REVEREND HUGH JONES

CONSIDER APPROVAL OF A PROCLAMATION DECLARING MAY 15-21, 1994 AS NATIONAL POLICE WEEK AND POLICE OFFICER'S MEMORIAL DAY

On a motion made by **COUNCILMAN WALKER** and second by **COUNCILMAN KOONCE**, Council approved the Consent Agenda as altered.

COUNCILMAN FINLAY read and presented **GILES SHINE** of the Police Department with a proclamation. **GILES SHINE** reported a memorial ceremony will be held Thursday, May 19, 1994, 10:00 a.m. at the County Courthouse.

CONSIDER AND AUTHORIZE PAYMENT OF ESTIMATE NUMBER 2, CONTRACT NUMBER 1, JOB NUMBER 023-08, TO LORRAINE CONSTRUCTION COMPANY, FOR \$15,901.60 FOR THE CONSTRUCTION OF REGIONAL RECYCLING CENTER - H-GAC Grant - Harry Prlesmeyer and/or Rhonda Sanders

RHONDA SANDERS approached the podium to give a status report on the recycling center.

MAYOR MARTINEZ commended **RHONDA** on the fine job she has done.

On a motion made by **COUNCILMAN WALKER** and second by **COUNCILMAN KOONCE**, Council authorized payment of Estimate No. 2, Contract No. 1, Job No. 023 08, to **LORRAINE CONSTRUCTION COMPANY**.

DISCUSSION AND POSSIBLE ACTION ON AN INTERLOCAL AGREEMENT BETWEEN THE MATAGORDA COUNTY HOSPITAL DISTRICT AND THE CITY OF BAY CITY, FOR THE PURPOSE OF WAIVING FEES - Torsten Norman-Petersen, Matagorda County Hospital District Board of Managers

TORSTEN NORMANN-PETERSEN appeared before Mayor and Council Members requesting to enter into some kind of discussion, since the hospital is a taxing agency, to come to an agreement where they would not have to pay permitting fees on building a nursing home. They invite the City to do the inspections since they are located in the extra territorial jurisdiction and due to the possibility of being annexed in the future. **COUNCILMAN FINLAY** is in support of waiving any fees.

COUNCILMAN WALKER mentioned that the City has standard policies as far as waiving half the fees with other entities. **JIM HENDRICKSON** reported on the current policies for hospitals, churches and schools. The contractors are still required to be licensed with the City. **COUNCILMAN WALKER** agrees with **COUNCILMAN FINLAY** about working together on this. The City has a standard policy with these organizations already, but Cncil needs to have some specific reason for making an exception in this case. Why should the hospital district be an exception to other taxing entities and have all fees waived instead of half? **MR. PETERSEN** mentioned that the hospital serves the total community, the County and in relationship to this, feels Council ought to approve this request to waive the fees. They are a district and are not for any particular area.

COUNCILMAN WALKER reiterated what **JIM** said, that if Council waives the fees, it does not change the permitting process.

On a motion made by **COUNCILMAN FINLAY** and second by **COUNCILMAN KOONCE**, Council accepted the recommendation to waive all required fees on this project.

JIM explained that this will be a no permit charge, but yet requiring each of their contractors to be licensed with the City by carrying proper insurance. The types of permits are building, electrical, mechanical and plumbing.

B. ALLEN CUMBIE explained that execution of an interlocal agreement is not necessary.

DISCUSSION AND POSSIBLE ACTION ON PROPOSED ORDINANCE LOWERING CP&L RATES - Bob Noster, Central Power & Light Co.

BOB NOSTER approached the podium introducing **MR. ROB DARSEY**, CP&L Manager of Development. **MR. NOSTER** reported that in most cases rate changes are initiated by the company. The law in Texas provides for rate considerations to be initiated in a number of ways. A group of cities has required that CP&L lower their rates. He is coming before the Council to request the City consider passing an ordinance lowering the rates of their customers in the City of Bay City. The reason for this stance is, CP&L feels very strongly that the Bay City customers should not be penalized in any way, form or fashion should the other customers prevail. CP&L would like to have uniform rates as have been in the past. When this issue goes before the Public Utility Company, CP&L will defend vigorously that the current rates are the correct rates and should stay in effect. CP&L should prevail, but in the event CP&L should not prevail, CP&L did not want the customers to be penalized. CP&L has agreed to not increase the rates until the end of 1994. If a rate reduction should be found correct it should be retro active to June 15th of this year.

B. ALLEN CUMBIE asked **MR. NOSTER** if there is a deadline on acting on the Ordinance? **MR. NOSTER** commented that June 9th is an effective deadline. **MR. CUMBIE** explained the Council could not act

on the ordinance tonight because there is a public hearing requirement.

COUNCILMAN KOONCE questioned and received confirmation that if the ordinance is passed, to represent the City at the hearing before the PUC, the cost is picked up by the consumer at a future date.

It is a consensus of the Council to hold a Public Hearing on Thursday, May 26, 1994, 7:15 p.m., in the City Hall Council Chambers and take official action on the ordinance at the Regular Council meeting to follow at 7:30 p.m. No action was taken.

STATUS AND PROGRESS REPORT ON THE PROPOSED BAY CITY Y.M.C.A. - Vatsa Kumar

VATSA KUMAR reported on the progress of starting a Y.M.C.A. He presented booklets and copies of information on starting a Y.M.C.A. in Bay City. There is a lot of willingness and enthusiasm for a "Y". He asked Mayor, Council Members and citizens to participate in the meeting to be held next week to discuss a building, funds etc. He expressed appreciation to the **MAYOR, COUNCIL MEMBERS** and **MAYOR'S SECRETARY** for their help.

MAYOR MARTINEZ mentioned that **MR. KUMAR** would like for the Mayor to send out invitations for the meeting on May 20th. **MR. KUMAR** has some interested parties that will pay for the postage. **MAYOR MARTINEZ** asked if the Council would prefer to send the invitation out on City letterhead or special postcard. **COUNCILMAN WALKER** commented, as the Y.M.C.A. liaison, he suggested Council use the letterhead because it has Council listed on it and indicates that Council is also supporting this.

MAYOR MARTINEZ commended **MR. KUMAR** for his dedication and determination.
No action was taken.

CONSIDER AND/OR AUTHORIZE PAYMENT OF ESTIMATE NO. 22 (FINAL), JOB NUMBER 023-86, CONTRACT NUMBER 1, TO RHODE CONSTRUCTION COMPANY FOR \$287,302.56 FOR EXPANSION OF WASTEWATER TREATMENT FACILITIES; 1992 CAPITAL IMPROVEMENTS

B. ALLEN CUMBIE has worked out an agreement with **RHODE CONSTRUCTION COMPANY** to execute an indemnity agreement that refers back to the original contract. There are two provisions in the original contract plus the general contract provisions regarding the indemnity to the City. Two claims have arisen since the job started, and thus the reason for this action. He recommended Council to approve this item contingent upon the receipt of the hard copy of the indemnity agreement executed by Rhode Construction.

On a motion made by **COUNCILMAN WALKER** and second by **COUNCILMAN MARTINEZ**, Council authorized final payment of estimate number 22 of this job contract to **RHODE CONSTRUCTION COMPANY**, contingent upon receipt of the original executed indemnity agreement.

DEPARTMENTAL REPORTS

B. ALLEN CUMBIE reported that preclearance and approval has been received on the Federal Voting Rights Act Submission concerning the Sales Tax Election. He will be in Corpus Christi on May 26th attending a governmental seminar, therefore he will not be able to attend the Council Meeting.

TAMMY EVANS reported that due to the passage of the sales tax, a certified copy of the resolution will be forwarded to the State Comptroller's Office tomorrow. If received by June 1st, both taxes will go into effect October 1. The City's contact person with the State Comptroller's Office is Joyce Garner in the Revenue Accounting Division and if there are any questions to please publicize her number.

COUNCILMAN WALKER expressed appreciation of having the Radio Stations present at the Council Meetings.

MARGARET SANDLIN reported that Council Meetings are announced at 6:50 a.m.

EXECUTIVE SESSION - LEGAL - Article 6252-17, Section 2(e) V.A.T.S. - Litigation - Rio Colorado Golf Course

MAYOR MARTINEZ adjourned from the Regular Session and convened into an Executive Session at 8:30 p.m.

OPEN SESSION - If action to be taken on Executive Session Item

MAYOR MARTINEZ adjourned from the Executive Session and reconvened into the Regular Session at 9:01 p.m.

MAYOR MARTINEZ announced that no action was taken on the Executive Session at this time.

ITEMS FROM COUNCIL

COUNCILWOMAN HENDERSON mentioned the possibility of hiring Bill Shelton, a consultant, to give the Council, Staff and general public a workshop on the Economic Development Sales Tax to help organize.

His fees for a one day workshop is 3,000.00. She will get exact information on this for the Council.

COUNCILWOMAN HENDERSON spoke with the Attorney General's Office regarding the possibility of forming an Ad Hoc Committee in conjunction with the seven member board. This committee will not be able to vote, but will be able to participate.

COUNCILMAN WALKER feels the consultant idea would be a good in order to educate the seven member board, but he feels personally this possibly could be done with funds from the economic development sales tax.

COUNCIL consensus was that it would be more appropriate to appoint the seven member board later this summer or no later than September 1st.

COUNCILWOMAN HENDERSON mentioned that Council will need to decide what the procedures are and how the Council is going to select this board. She wants true representation from this community to serve on this board.

COUNCILMAN WALKER suggested inviting someone from one of the other cities that already have this sales tax in place to share their experiences.

MAYOR MARTINEZ asked where the City stands with the "Jobs For Bay City Committee"? Do we call them in to acknowledge the work done on getting the sales tax passed?

COUNCILMAN FINLAY suggested maybe having all of the committee members present at the next Council Meeting and present them with a proclamation.

COUNCILWOMAN HENDERSON mentioned she is ready to get to work on the five year financial plan.

MAYOR MARTINEZ reported on the staff meeting with the auditors to discuss the budget.

COUNCILMAN WALKER suggested changing the ordinance which stipulates compensation for Council Members for the meetings they attend and not be paid for meetings not personally attended.

COUNCILMAN FINLAY commented on the memo from **JON ABSHIER** regarding job classification changes and rate increases within pay scale range. This was proposed to the Mayor and Mayor decided to presented it to Council for their ideas. **COUNCILMAN FINLAY** commented that he did not recall discussing this during the budget and it was not discussed. He sees this as the same type of request made earlier in the year (Police Department) and he was not aware of this either. **COUNCILWOMAN HENDERSON** argued the fact that this is not the same type of request. **COUNCILMAN FINLAY** mentioned that if Council starts reclassifying and doing pay rate changes, with one department already being turned down, this is the exact same thing. If Council allows every department to do this he has no problem with this. **COUNCILMAN WALKER** suggested that budget time should be the appropriate time to discuss this type of request. **COUNCILWOMAN HENDERSON** argued that the funds mentioned for the Police Department were not budgeted, whereas these funds are budgeted.

COUNCILMAN FINLAY mentioned that all City employees deserve some more money, but it is to be done during budget time. Cuts will have to be made in the budget in order to allow approval of some of these raises.

COUNCILMAN KOONCE and **COUNCILMAN MARTINEZ** had the same feelings that this is similar to the previous request.

COUNCILMAN MARTINEZ asked if anything has been done regarding the drug testing? **B. ALLEN CUMBIE** explained that the Employee Assistance Advisory Committee has met with Lou Snead, heard presentation made by two drug testing labs. Nothing has been done since. Funds will have to be budgeted for this program. Also, he inquired as to the status of the repairs to be done to the sidewalks around the Courthouse. **MAYOR MARTINEZ** will check on this.

COUNCILMAN KOONCE requested that the Gulf Coast Intracoastal Membership be placed back on the agenda. Also, he was informed by Charles Townsend, Chairperson of EAC, that they have decided to do away with a City representative position on the Committee.

COMMENTS - MAYOR AND COUNCIL MEMBERS

COUNCILWOMAN HENDERSON is delighted to work with the Council another two years.

COUNCILMAN WALKER commented on the appointments to the Arts Council, he pointed out that all need to be aware that all but one of the members are also Board Members for the Festival Arts Association. This opens Council up for some criticism because it looks like it is an extension of Festival Arts. This is not a problem as long as the Arts Council operates within the law and guidelines set by the law and due to funding

solely by Hotel/Motel Taxes through the City.

COUNCILMAN WALKER was not able to make the last meeting and he later learned that some grants were approved that bring some questions to his mind as to whether these grants fall within the limits of the law. The committee approved funds for the summer reading program at the library. He is not sure Hotel/Motel funds can be used for this. **B. ALLEN CUMBIE** mentioned he did not think this fits within the law. The statute reads that the funds from the Hotel/Motel is to be used for tourism and cultural activities that create tourism or enhance tourism. **COUNCILMAN WALKER, B. ALLEN CUMBIE, MAYOR** and **MRS. CRISWELL** are to meet some time next week to go over this.

COUNCILMAN FINLAY reported that the Lions Club Academic Achievement Banquet will be Friday, May 13, 1994 and Gifford Neilson will be the quest speaker.

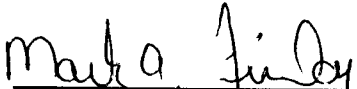
COUNCILMAN KOONCE reported he is looking forward to the City's Family Fun Day this Saturday.

MAYOR MARTINEZ reported on the following: 1) Letter from LCRA regarding a grant on behalf of the City; 2) Letter of support or a resolution for the proposed State prison in Palacios; 3) Budget meeting Tuesday with the auditor and department heads; 4) City Family Fun Day Saturday; 5) Emergency Preparedness for Hurricanes on May 17th at the Multi-Purpose Building at 6:00 a.m.; 6) Mayor's breakfast meeting at the Cattleman's Restaurant and Eddie Cavoza, Chairman of Texas Employment Commission, will be the guest speaker; 7) Joint Workshop with the County on the Cottonwood Creek Flood Plan; and 8) Pictures from Joe Crain regarding a situation on Ninth Street.

ADJOURNMENT

MAYOR MARTINEZ adjourned the meeting at 9:46 p.m.

PASSED AND APPROVED this 26th day of May, 1994.



MARK A. FINLAY, MAYOR PRO-TEM
CITY OF BAY CITY, TEXAS



TAMMY EVANS
CITY SECRETARY