

CAUSE NO. 27,159

**ROBERT B. SCHESKE, DOYLE
ALLEN, LORENZO L. HERNANDEZ,
STEVE HENDERSHOT, and ANTONIO
ESPINOSA**

Plaintiffs,

VS.

**THE CITY OF GONZALES, TEXAS;
MAYOR CONNIE L. KACIR,
COUNCILMAN GARY SCHROEDER,
COUNCILMAN TOMMY SCHURIG,
COUNCILMAN BOBBY O'NEAL,
COUNCILMAN DAN BLAKEMORE, in
their official capacities.**

Defendants.

IN THE DISTRICT COURT

2ND 25TH JUDICIAL DISTRICT

GONZALES COUNTY, TEXAS

AGREED TEMPORARY INJUNCTION ORDER

On this day, the Court considered Plaintiffs' Motion for Temporary Injunction and Defendant's Emergency Motion to Dissolve Temporary Restraining Order and Response to Plaintiffs' Motion for Temporary Injunction. The Parties appeared by and through their legal counsel and announced the Parties agree to a Temporary Injunction Order as follows. The Court is of the opinion that the Agreed Order should be approved in accordance with the following:

- 1) The Defendant City ("City") agrees to a Texas Combination Tax and Revenue Certificate of Obligations as follows to establish or support the City's debt service and tax rate for FY 2018-2019:
 - a. 2011 Series: \$443,325.00 (this is from the tax rate original filing)
 - b. 2017 Series: \$146,750.00 (City will substitute eligible debt for contested fire apparatus)
- 2) The City's debt obligations for Fiscal Year ²⁰¹⁸⁻²⁰¹⁹ is \$590,075.00. The attached spreadsheet outlines the City's debt re-payment. (Exhibit A). CME ML

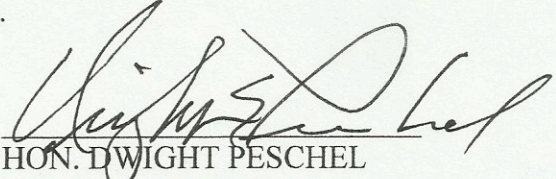
- 3) The City will submit the new debt numbers in Exhibit A to the Gonzales County Tax Assessor Collector to recalculate a new tax rate on the Truth in Taxation worksheets and the Gonzalez County Tax Assessor Collector shall re-calculate such tax documents in accordance with terms #1 and #~~8-8.7~~^{5.9}. The City will also submit a Statement of Increase/Decrease along with Exhibit A to conform with the new calculations.
- 4) The City agrees to reimburse the Debt Service Fund from the General Fund for FY 2018-2019 by \$186,909.00, which includes removing debt obligations as originally proposed for John Deere leases and Pumper/Tanker Property Finance Act Contract.
- 5) The Parties agree the Effective Maintenance and Operations rate for 2018-2019 is \$0.1100.
- 6) The Parties agree the Rollback Maintenance and Operations rate for 2018-2019 is \$0.1188.
- 7) The Parties agree the debt service rate for 2018-2019 is \$0.1060.
- 8) The Parties agree the 2018 effective tax rate is \$0.2761.
- 9) The Parties agree the 2018 rollback rate is \$0.2248.
- 10) The Parties agree to work with Plaintiffs financial consultant, Matt Smith, to ensure all calculations are correct before new tax figures are submitted to the Tax Assessor Collector prior to consideration by the City Council and for recommendations for best practices going forward to be in a better position for next year's budget and rate process.
- 11) The Parties agree this agreement is not an admission of bad faith by the City.
- 12) The City agrees to call a City Council meeting for Monday, September 24, 2018 to consider the terms of this Agreed Temporary Injunction. If the City Council does not agree, the Parties agree to proceed with the Temporary Injunction hearing on October 1, 2018 at 2:00 PM (107)
- 13) The Parties agree the City Council may adopt a tax rate on or before October 1, 2018, if the City Council agrees to #~~11~~¹² above.
- 14) If the City Council agrees to the Agreed Temporary Injunction, Plaintiffs' lawsuit shall be dismissed with prejudice with each party bearing its own costs, subject to Item #~~13~~¹⁵ of this Order.
- 15) The City agrees to pay reasonable attorney's fees and costs for Plaintiffs in the amount of \$5,000.00.

The Court therefore APPROVES the terms outlined in #1-#~~14~~¹⁵ above.

The Court further APPROVES of this Agreed Temporary Injunction and ORDERS the PARTIES and GONZALES COUNTY TAX ASSESSOR COLLECTOR as the City's designated agent to comply with such terms.

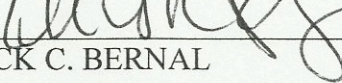
IT IS ORDERED this Agreed Temporary Injunction Order to remain in effect until the City Council considers this Agreed Temporary Injunction.

SIGNED this 21st day of September, 2018.

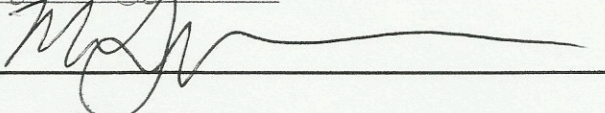

HON. DWIGHT PESCHEL
JUDGE PRESIDING

AGREED AS TO FORM AND CONTENT:

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CITY'S DEBT FOR 2018-2019 BUDGET

Texas Combination Tax and Revenue Certificates of Obligation:	Principal or Contract Payment To Be Paid From Property Taxes	Interest To Be Paid From Property Taxes	Total Payment
2017 Series	90,000.00	56,750.00	146,750.00
2011 Series	275,000.00	168,325.00	443,325.00
TOTAL	365,000.00	225,075.00	590,075.00

Exhibit A