CITY OF MELISSA
CITY COUNCIL REGULAR
MEETING AGENDA

Tuesday, August 25, 2026
Regular Meeting - 6:30 p.m.

City of Melissa City Hall
3411 Barker Avenue
Melissa, TX 75454

REGULAR MEETING AGENDA

1. CALL TO ORDER AND ROLL CALL

2. INVOCATION AND PLEDGE OF ALLEGIANCE

3. PROCLAMATIONS AND PRESENTATIONS

4. PUBLIC COMMENTS - AGENDA ITEMS
This item is available for citizens to speak for up to 3 minutes on any item on the current agenda. General public comments can be made at the end of the Council meeting.

5. CONSENT AGENDA
All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member requests and a majority of City Council are in favor, in which event the item will be removed from the Consent Agenda and placed in the section titled Consideration of Items Withdrawn From the Consent Agenda.

A. Consider the minutes from the August 11, 2026 City Council Work Session and the August 11, 2026 City Council Regular Meeting. (HB)

B. Consider a Resolution setting a date, time and place for a public hearing on the proposed voluntary annexation by the City of Melissa of the area of land consisting of 23.262± acres, situated in the Jacob Gragg Survey, Abstract No. 339, Collin County, Texas. (TL)

C. Consider a Resolution calling a public hearing on September 8, 2026 at 6:30 p.m. for the discussion of the proposed 2026 Tax Rate for the City of Melissa, Texas. (CF)

D. Consider a Resolution calling a public hearing on September 8, 2026 at 6:30 p.m. for the discussion of the proposed FY 2026-2027 Budget for the City of Melissa, Texas. (CF)

E. Consider a Resolution accepting the 2026 appraisal roll as certified by the Collin County Appraisal Review Board and accepting the certification of anticipated collection rate and excess collection. (CF)

F. Accept the Quarterly Financial Report for the period ending June 30, 2026. (CF)

G. Consider a Resolution setting a public hearing for the creation of a Municipal Drainage Utility System. (TS)

H. Consider ratification of the City's engagement legal services related to the Vineyard Hills Public Improvement District and authorize continued engagement as necessary, with all associated costs to be reimbursed by the developer. (JL)

I. Consider ratification of the engagement of Harris Finley Bogle as litigation counsel to the City of Melissa. (JL)

6. CONSIDERATION OF ITEMS WITHDRAWN FROM CONSENT AGENDA

7. REGULAR AGENDA

A. Conduct a Public Hearing and consider an Ordinance of the City Council of the City of Melissa, Texas accepting and approving a Service and Assessment Plan and Assessment Roll for the Vineyard Hills Estates Public Improvement District; making a finding of special benefit to the property in Phase #1 of the District; levying special assessments against property within Phase #1 of the District and establishing a lien on such property; providing for the method of assessment and the payment of the assessments in accordance with Chapter 372, Texas Local Government Code, as amended, providing penalties and interest on delinquent assessments, providing for severability; and providing an effective date. (TS)

B. Consider a Resolution accepting the 2026 No-New-Revenue Tax Rate and Voter-Approval Tax Rate. (CF)

C. Discuss Proposed Tax Rate and take a Record Vote. (CF)

D. Consider a Professional Services Agreement with Hilltop Securities Asset Management for Investment Advisor Services. (CF)

E. Recess into Executive Session in compliance with Section 551.001 et seq. Texas Government Code, to wit:
    I. 551.072 Discussing Purchase, Exchange, Lease or Value of Real Property
        a. 1701 Harrison St, Melissa, TX 75454

F. Reconvene into Regular Meeting and Take Any Action Necessary as a Result of the Executive Sessions held in Work Session and Regular Meeting.

8. PUBLIC COMMENTS - NON-AGENDA ITEMS

This item is available for citizens to speak for up to 3 minutes on any subject of which the City of Melissa has authority. However, no discussion or action, by law, may be taken on the topic unless and until properly posted on a future agenda

9. COUNCIL DISCUSSION

Council discussion with staff concerning any actions required by City Staff as a result of any item on tonight's agenda.

10. ADJOURN

Certified
Certified to this the 18th day of August, 2026.

Posted: August 18, 2026 @ 5:30 p.m.

_____
Hope Baskin, City Secretary

If during the course of the meeting covered by this notice, the City Council should determine that a closed or executive meeting or session of the City Council or a consultation with the attorney for the City should be held or is required, then such closed or executive meeting or session or consultation with attorney as authorized by the Texas Open Meetings Act, Texas Government Code §551.001 et seq., will be held by the City Council at the date, hour and place given in this notice or as soon after the commencement of the meeting covered by this notice as the City Council may conveniently meet in such closed or executive meeting or session or consult with the attorney for the City concerning any and all subjects and for any and all purposes permitted by the Act, including, but not limited to, the following sanctions and purposes:

Texas Government Code Section:

551.087 Deliberations regarding Economic Development Negotiations
551.071 Private Consultation with the Attorney for the City
551.072 Discussing Purchase, Exchange, Lease or Value of Real Property
551.074 Discussing Personnel

In accordance with House Bill 1522, the budget for FY2025-2026 for the City of Melissa will raise more revenue from total property taxes than last year's budget by an amount of $1,095,131, which is a 6.48% percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is $1,951,306.

Scenario		TAXPAYER IMPACT: Median Taxable Homestead Value		Tax Rate	Estimated City Tax Bill	Change from Prior Year
Prior Year	FY2025	$ 413,849	2024	0.454116	$1,879.35	
Adopted Budget	FY2026	$ 441,633	2025	0.454116	$2,005.53	$126.17
No-New Revenue Rate	FY2026	$ 441,633	2025	0.477065	$2,106.88	$227.52
Voter Approved Rate	FY2026	$ 441,633	2025	0.478134	$2,111.60	$232.24

The adopted budget for FY 2025-2026 can be viewed on the City's website located at cityofmelissa.com under the Financial Transparency Tab

MINUTES
CITY OF MELISSA CITY
CITY COUNCIL WORK SESSION
AUGUST 11, 2026
5:15 PM

WORK SESSION AGENDA

1. **Call to Order**
   Mayor Northcut called the Work Session to order at 5:15 p.m.

2. **Roll Call**
   Mayor Jay Northcut, Mayor Pro Tem Craig Ackerman, Preston Taylor, Rendell Hendrickson, Dana Conklin, Joseph Armstrong and Sean Lehr were present.

3. **Public Comments**
   There were no public comments.

   Due to time constraints, item 5A was covered after item 3.

4. **Discussion regarding any items on the Regular Agenda**
   Terrell Smith, Assistant City Manager, gave a summary of item of 7A.

   Tyra LaVerne, Director of Development Services, gave a summary of item 7B and answered questions for Council. Chief Stokes answered questions for Council.

   Jason Little, City Manager, gave a summary of items 7C-7E.

5. **Work Session Item(s)**

   A. Presentation regarding Public Safety Fall Classic (MF)

   Michael Foster, Fire Department, and Police Department personnel gave a presentation regarding the upcoming Public Safety Fall Classic taking place on October 3, 2026.

   B. Economic Development Discussion Strategic Plan (TS)

   Terrell Smith gave a brief overview of the Economic Development Plan.

   Rayna Teicheira and Scott Hardwick, HDL Companies, discussed the Economic Development Plan and asked for Council feedback.

   C. FY 2027 Budget Discussion (TS)

Jason Gray, Willdan representative, gave an overview of the FY2027 Stormwater Fund.

D. Recess into Executive Session in compliance with Section 551.001 et seq. Texas Government Code, to wit:

I. 551.087 Economic Development Negotiations

1. James Fisher Survey, Sheet 2, Tract 15

The Council did not recess into Executive Session.

E. Reconvene into Work Session

The Council did not recess into Executive Session, so there was no reconvene into the Work Session.

6. Discussion regarding any future agenda items

7. Adjourn

Mayor Northcut adjourned the Work Session at 6:31 p.m.

ATTEST:

_____ _____

Hope Baskin, City Secretary Jay Northcut, Mayor

MINUTES

CITY OF MELISSA

CITY COUNCIL REGULAR MEETING

AUGUST 11, 2026

6:30 PM

REGULAR MEETING AGENDA

1. CALL TO ORDER AND ROLL CALL

Mayor Northcut called the Regular Meeting to order at 6:36 p.m.

Mayor Jay Northcut, Mayor Pro Tem Craig Ackerman, Preston Taylor, Rendell Hendrickson, Dana Conklin, Joseph Armstrong and Sean Lehr were present.

2. INVOCATION AND PLEDGE OF ALLEGIANCE

Craig Ackerman gave the invocation.

3. PROCLAMATIONS AND PRESENTATIONS

There were no proclamations or presentations.

4. PUBLIC COMMENTS - AGENDA ITEMS

There were no public comments.

5. CONSENT AGENDA

A. Consider the minutes from the July 28, 2026 City Council Work Session and the July 28, 2026 City Council Regular Meeting. (HB)

B. Consider Adoption of the Updated City Council Rules of Procedures and Governance Protocols. (KW)

C. Consider a Resolution appointing authorized bank signatures for the City of Melissa. (CF)

D. Consider a Resolution approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2026 rate review mechanism filing. (JL)

E. Consider an Interlocal Agreement with Collin County regarding Road and Bridge Repairs. (TS)

Council Action:

Motion was made by Craig Ackerman and seconded by Joseph Armstrong to Approve the Consent Agenda as noted.

Vote: 7/0/0

6. CONSIDERATION OF ITEMS WITHDRAWN FROM CONSENT AGENDA

No items were withdrawn from the Consent Agenda.

7. REGULAR AGENDA

A. Conduct a Public Hearing and consider an Ordinance of the City Council of the City of Melissa, Texas accepting and approving a Service and Assessment Plan and Assessment Roll for the Vineyard Hills Estates Public Improvement District; making a finding of special benefit to the property in Phase #1 of the District; levying special assessments against property within Phase #1 of the District and establishing a lien on such property; providing for the method of assessment and the payment of the assessments in accordance with Chapter 372, Texas Local Government Code, as amended, providing penalties and interest on delinquent assessments, providing for severability; and providing an effective date. (TS)

Mayor Northcut opened the Public Hearing at 6:40 p.m.

Council Action:
Motion was made by Craig Ackerman and seconded by Preston Taylor to continue the public hearing for the adoption of the Vineyard Hills Estates Public Improvement District Assessment Ordinance to the City Council Meeting to begin at 6:30 p.m. on Tuesday, August 11, 2026 at its regular meeting place at City Council Chambers, at Melissa City Hall, 3411 Barker Avenue, Melissa, Texas 75454.

Vote: 7/0/0

B. Conduct a public hearing and consider an ordinance amending Melissa's Zoning Ordinance, Ordinance No. 92-08, as amended, to rezone a tract of land consisting of 6.235± acres of land in the aggregate, heretofore zoned Single Family Residential District 3/General Commercial District/Heavy Industrial District ("SF-3/C-2/I-2") within the Downtown Overlay District within the Transition Mixed Use District ("DOD/TMU"), provided that the property, generally located at the southeast corner of McKinney Street and Melissa Road, City of Melissa, Collin County, Texas, is rezoned and placed in the Planned Development/General Commercial District within the Downtown Overlay District within the Transition Mixed Use District ("PD/C-2/DOD/TMU"). (TL)

Mayor Northcut opened the public hearing at 6:42 p.m.

Tyra LaVerne, Interim Director of Development Services, presented the item to Council stating that earlier this year, the applicant requested a zoning change for these properties that included a convenience store with fuel pumps, a retail building, and a hotel. City Council denied that request. The applicant has since revised the proposal and is now requesting approval of a Planned Development (PD). The revised development replaces the previously proposed convenience store and fuel pumps with an additional retail/restaurant building and includes updated architectural elevations for the hotel based on comments received during the previous Planning & Zoning Commission and City Council discussions.
The requested PD would establish C-2 as the base zoning while incorporating select modifications to the Downtown Overlay District and C-2 development standards to accommodate the proposed site layout and design. The requested deviations primarily relate to parking placement, parking screening, and hotel building orientation. A list of variances and rationale has been included in your packet. According to the applicant, these

modifications are intended to improve site circulation and visibility while allowing the development to function more effectively on the site.
The Planning and Zoning Commission recommended approval by a vote of 4-1-0 with the condition that the developer include screening along Hwy 5 and the windows on floors 3 and 4 that directly face the Public Safety Building are frosted to obscure vision into the parking lot.

Elliot Bogart, Triangle Engineering representative, gave a presentation and answered questions for Council.

Council Action:
Motion was made by Joseph Armstrong and seconded by Preston Taylor to close the public hearing at 6:51 p.m.

Vote: 7/0/0

Council Action:
Motion was made by Joseph Armstrong and seconded by Rendell Hendrickson to Approve an ordinance amending Melissa's Zoning Ordinance to rezone a tract of land consisting of 6.235± acres of land as approved by the Planning and Zoning Commission with the exception of the frosting provision, and additional component of line-of-site which will be approved at a later date.

Vote: 7/0/0

C. Consider an Ordinance authorizing the Issuance and Sale of City of Melissa, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, series 2026; Levying an Annual Ad Valorem Tax and Providing for the Security for and Payment of Said Certificates; Approving the Official Statement; Providing an Effective Date; and Enacting other Provisions Relating to the Subject. (JL)

Nick Bulaich, Hilltop Securities Inc., gave a presentation and answered questions for Council.

Council Action:
Motion was made by Dana Conklin and seconded by Sean Lehr to Approve the ordinance authorizing the issuance and sale of City of Melissa, Texas, combination tax and limited surplus revenue certificates of obligation, series 2026; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving the official statement; providing an effective date; and enacting other provisions relating to the subject.

Vote: 7/0/0

D. Conduct a public hearing regarding the Crime Control and Prevention District budget figures for Fiscal Year 2026-2027. (CF)

Mayor Northcut opened the Public Hearing at 7:08 p.m.

Jason Little, City Manager, presented the item to Council stating that this item is just for the Public Hearing and the action will take place on September 8, 2026.

Council Action:
Motion was made by Joseph Armstrong and seconded by Dana Conklin to close the Public Hearing at 7:09 p.m.

Vote: 7/0/0

Erik Stokes, Chief of Police, answered questions for Council.

E. Conduct a public hearing regarding the Fire Control, Prevention and Emergency Medical Services District budget figures for Fiscal Year 2026-2027. (CF)

Mayor Northcut opened the Public Hearing at 7:11 p.m.

Jason Little presented the item to Council stating that this item is just for the Public Hearing and the action will take place on September 8, 2026.

Council Action:
Motion was made by Preston Taylor and seconded by Craig Ackerman to close the Public Hearing at 7:11 p.m.

Vote: 7/0/0

8. PUBLIC COMMENTS - NON-AGENDA ITEMS

There were no public comments.

9. COUNCIL DISCUSSION

Mayor Northcut thanked the IT team for the upgrades to the Council Chambers.
Dana Conklin requested that the Police Department and MISD work together to address concerns with e-bikes and safety for back-to-school.

10. ADJOURN

Mayor Northcut adjourned the Regular Meeting at 7:13 p.m.

ATTEST:

_____ _____

Hope Baskin, City Secretary Jay Northcut, Mayor

Item 5.B

City of Melissa City Council Regular Meeting Staff Report

Date August 25, 2026

Subject Consider a Resolution setting a date, time and place for a public hearing on the proposed voluntary annexation by the City of Melissa of the area of land consisting of 23.262± acres, situated in the Jacob Gragg Survey, Abstract No. 339, Collin County, Texas. (TL)

Submitted by Tyra LaVerne, Director of Development Services

Action Requested

Approval of a resolution establishing a date, time and place for a public hearing to hear concerns for or against this request to annex a 23.262± acre tract of land into the City of Melissa.

Summary of Subject

The property owner of the subject tract generally depicted in this agenda item recently applied to voluntarily annex into the City of Melissa. The attached resolution establishes a date, time and place for a public hearing to hear concerns for or against this request to annex in accordance with State Law.

Supporting Documents

1. Location Map.docx
2. Resolution Setting Public Hearing for Voluntary Annexation - ULR (23.262 acres).docx

Location of Subject Tract



CITY OF MELISSA, TEXAS **RESOLUTION NO. _____**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, SETTING A DATE, TIME AND PLACE FOR A PUBLIC HEARING ON THE PROPOSED VOLUNTARY ANNEXATION BY THE CITY OF MELISSA OF THE AREA OF LAND CONSISTING OF 23.262± ACRES, SITUATED IN THE JACOB GRAGG SURVEY, ABSTRACT NO. 339, COLLIN COUNTY, TEXAS; AUTHORIZING AND DIRECTING THE CITY MANAGER, OR HIS DESIGNEE, TO: (1) PROVIDE THE REQUIRED WRITTEN NOTIFICATIONS TO THE PROPERTY OWNERS AND ANY APPLICABLE PUBLIC ENTITIES; (2) NOTIFY THE PUBLIC OF THE PUBLIC HEARING; (3) OFFER ANY ANNEXATION AGREEMENT, AS REQUIRED BY LAW, OR AS THE CITY MANAGER DEEMS APPROPRIATE, AS HE SOLELY DETERMINES; AND (4) EXECUTE ANY ANNEXATION AGREEMENT DESCRIBED HEREIN; PROVIDING FOR THE CITY COUNCIL'S DETERMINATION OF THE AREA TO BE ANNEXED BY THE CITY OF MELISSA; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1: Public Hearing. On the 8th day of September 2026, at 6:30 p.m., in the City Council Chamber at City Hall, 3411 Barker Avenue, Melissa, Texas 75454, the City Council of the City of Melissa, Texas ("City Council") will hold a public hearing, giving all interested persons the right to appear and be heard on the proposed voluntary annexation by the City of Melissa, Texas ("Melissa") of the area of land consisting of 23.262± acres, situated in the Jacob Gragg Survey, Abstract No. 339, Collin County, Texas, more particularly described in Exhibit A, attached hereto and incorporated herein for all purposes.

SECTION 2: Area to be Annexed. The City Council may determine whether all of some of the above-described area will be annexed by Melissa, as evidenced by the motions made and subsequent actions of the City Council at a duly noticed public meeting, said actions being reflected in the minutes thereof.

SECTION 3: Authority to Provide Notice; Annexation Agreements. The City Manager, or his designee, is hereby authorized and directed to: (i) cause notice of such hearing to be published on Melissa's website and in a newspaper having general circulation in Melissa and in the above-described area in accordance with the Municipal Annexation Act (Chapter 43, Texas Local Government Code) ("Act"), and as otherwise required by law; (ii) provide the required written notifications to the owner(s) of the property(ies) contained in the above-described area as well as any applicable public entities as required under the Act; (iii) offer any annexation agreements, as required by law, or as the City Manager deems appropriate, as he solely determines, for Melissa, in accordance with the Act; and (iv) execute the form of any and all annexation agreements described herein.

SECTION 4: Effective Date. This Resolution shall take effect immediately from and after its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, on the ___ day of _____, 2026.

_____
Jay Northcut, Mayor

ATTEST TO:

_____
Hope Baskin, City Secretary

Exhibit A

PROPERTY DESCRIPTION

WEST TRACT

BEING a tract of land situated in the Jacob Gragg Survey, Abstract No. 339, City of Melissa, Collin County, Texas, and being a portion of a called 24.5185-acre tract of land, described in a Special Warranty Deed to Clark Willey and Robert Dysart, as tenants in common, recorded in Instrument No. 20171020001401140 of the Official Public Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a TXDOT brass R.O.W. disk in concrete found on the north line of said 24.5185-acre tract for the northeast corner of Parcel 14 Part 2, described in a deed to the State of Texas, recorded in Instrument No. 20150615000709230, and the southeast corner of Parcel 15A, described in a deed to the State of Texas, recorded in Instrument No. 20150226000205960, both of the Official Public Records of Collin County, Texas, same being on the east right of way line of Central Expressway (U. S. Highway 75), variable width right of way, same also being on the south line of a called 80.280-acre tract (The Stice Place), described in a Special Warranty Deed to MLJA Adams, Ltd., recorded in Instrument No. 20110505000462590 of the Official Public Records of Collin County, Texas;

THENCE South 88°52'11" East, departing said Central Expressway (U. S. Highway 75), along the north line of said 24.5185-acre tract and the south line of said 80.280-acre tract (The Stice Place), a distance of 760.15 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the northeast corner of said 24.5185-acre tract, same being the northwest corner of a tract of land described in a Special Warranty Deed to Throckmorton Creek Apartments, LLC, recorded in Instrument No. 20200720001128990 of the Official Public Records of Collin County, Texas;

THENCE South 00°54'34" West, along the east line of said 24.5185-acre tract and the west line of said Throckmorton Creek Apartments, LLC tract, a distance of 1,494.69 feet to a PK nail set in an asphalt road, known as Throckmorton Road (C. R. 363), a public use right of way, for the southeast corner of said 24.5185-acre tract and the southwest corner of said Throckmorton Creek Apartments, LLC tract, same being on the north line of a called 52.04-acre tract of land, described in a deed to Waynesville Enterprises LLC, recorded in Instrument No. 2022000157293, as affected by the correction, recorded in Instrument No. 2023000021813, both of the Official Public Records of Collin County, Texas;

THENCE North 87°35'56" West, along the south line of said 24.5185-acre tract, the north line of said 52.04-acre tract, and generally along said Throckmorton Road (C. R. 363), passing the northeast corner of a called 7.66-acre tract of land, described in a deed to Melissa Land Partners LLC, recorded in Instrument No. 2024000009377 of the Official Public Records of Collin County, Texas, continuing along the north line of said 7.66-acre tract, a distance of 399.56 feet to a PK nail set for corner;

THENCE North 68°02'10" West, continuing along the south line of said 24.5185-acre tract, the north line of said 7.66-acre tract and generally along said Throckmorton Road (C. R. 363), a distance of 6.78 feet to a PK nail set for southeast corner of Parcel 14 Part 1 as described in aforesaid State of Texas deed, recorded in 20150615000709230, Official Public Records of Collin County, Texas, same being in the east right of way line of aforesaid Central Expressway (U. S. Highway 75);

THENCE in a northerly direction, along the east right of way line of said Central Expressway (U. S. Highway 75), the following:

North 16°53'11" East, along the east line of said Parcel 14 Part 1, a distance of 57.27 feet to a TXDOT aluminum R.O.W. disk found for the northeast corner of said Parcel 14 Part 1;

North 73°06'46" West, along the north line of said Parcel 14 Part 1, a distance of 79.32 feet to a TXDOT brass R.O.W. disk in concrete found for the northwest corner of said Parcel 14 Part 1;

North 21°38'23" West, a distance of 0.55 feet to a TXDOT brass R.O.W. disk in concrete found for corner;

North 16°00'00" West, a distance of 153.65 feet to a TXDOT brass R.O.W. disk in concrete found for corner;

North 37°04'48" West, a distance of 256.08 feet to a TXDOT brass R.O.W. disk in concrete found for corner;

North 29°23'03" West, a distance of 57.24 feet to a TXDOT aluminum R.O.W. disk found for the southeast corner of aforesaid Parcel 14 Part 2;

North 06°38'31" West, along the east line of said Parcel 14 Part 2, a distance of 555.70 feet to a TXDOT brass R.O.W. disk in concrete found for corner;

North 02°13'30" East, continuing along the east line of said Parcel 14 Part 2, a distance of 458.37 feet to the **POINT OF BEGINNING** and containing 23.262 acres (1,013,304 square feet) of land, more or less.

CITY OF MELISSA, TEXAS RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, CALLING A PUBLIC HEARING ON SEPTEMBER 8, 2026 AT 6:30 P.M. AT CITY OF MELISSA CITY HALL, 3411 BARKER AVENUE, MELISSA, TEXAS, FOR THE DISCUSSION OF THE PROPOSED 2026 TAX RATE FOR THE CITY OF MELISSA, TEXAS.

WHEREAS, the Texas Tax Code, Truth-in-Taxation requires the City Council of the City of Melissa, Texas (the "City Council") to schedule a public hearing to be called to discuss the proposed tax rate; and

WHEREAS, the City of Melissa, Texas ("Melissa") desires to call this public hearing during the September 8, 2026 City Council Meeting at the Melissa City Hall, 3411 Barker Avenue, Melissa, Texas.

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

SECTION 1: Preamble Incorporated. That all matters stated in the preamble of this Resolution are true and correct and are hereby incorporated into the body of this Resolution as if copied in their entirety.

SECTION 2: Public Hearing on Tax Rate. That the City Council hereby calls this public hearing for September 8, 2026, at 6:30 p.m., at City of Melissa City Hall, 3411 Barker Avenue, for the discussion of the 2026 proposed tax rate for the City of Melissa, Texas.

SECTION 3: Effective Date. This Resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS on this 25th day of August 2026.

_____
JAY NORTHCUT, Mayor

ATTEST TO:

_____
HOPE BASKIN, City Secretary

CITY OF MELISSA, TEXAS RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, CALLING A PUBLIC HEARING ON SEPTEMBER 8, 2026, AT 6:30 P.M., AT THE CITY OF MELISSA CITY HALL, 3411 BARKER AVENUE, MELISSA, TX., FOR THE DISCUSSION OF THE PROPOSED 2026-2027 BUDGET FOR THE CITY OF MELISSA, TEXAS.

WHEREAS, the Texas Local Government Code, Chapter 102, requires a public hearing to be called to discuss the proposed budget for the upcoming fiscal year; and

WHEREAS, the City Council of the City of Melissa, Texas ("Melissa") desires to call this public hearing during the September 8, 2026 City Council meeting at the Melissa City Hall, 3411 Barker Avenue, Melissa, Texas.

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

SECTION 1: Preamble Incorporated. That all matters stated in the preamble of this Resolution are true and correct and are hereby incorporated into the body of this Resolution as if copied in their entirety.

SECTION 2: Public Hearing on Budget. That the City Council of the City of Melissa, Texas hereby calls a public hearing for September 8, 2026, at 6:30 p.m., at 3411 Barker Avenue, Melissa, Texas, for the discussion of the proposed FY 2026-2027 Budget for the City of Melissa, Texas.

SECTION 3: Effective Date. This Resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS on this 25th day of August, 2026.

_____
JAY NORTHCUT, Mayor

ATTEST TO:

_____
HOPE BASKIN, City Secretary

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, ACCEPTING THE 2026 APPRAISAL ROLL AS CERTIFIED BY THE COLLIN COUNTY APPRAISAL REVIEW BOARD, AND ACCEPTING THE CERTIFICATION OF ANTICIPATED COLLECTION RATE AND EXCESS COLLECTION, RESOLVING OTHER MATTERS RELATING TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Texas Tax Code, Section 26.04 (a), requires the City Council of the City of Melissa, Texas (the "City Council") to annually adopt the Certified Tax Roll; and

WHEREAS, the City of Melissa, Texas ("Melissa") has received notification from the Collin County Appraisal Review Board as to the certified roll as of July 23, 2026; and

WHEREAS, the City Council of the City of Melissa, Texas does hereby adopt the 2026 City appraisal roll with a certified taxable value of $5,009,234,631.00 and the Melissa TIF#1 appraisal roll with a certified taxable value of $385,060,631.00.

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

SECTION 1: Preamble Incorporated. That all matters stated in the preamble of this Resolution are true and correct and are hereby incorporated into the body of this Resolution as if copied in their entirety.

SECTION 2: 2026 Appraisal Roll. That Exhibit "A", attached hereto and incorporated herein for all purposes, constitutes the 2026 appraisal roll; and that Exhibit "B" attached hereto and incorporated herein for all purposes, constitutes the 2026 Certification of Anticipated Collection Rate and Excess Collection.

SECTION 3: Effective Date. This Resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS on this 25th day of August, 2026.

_____

JAY NORTHCUT, Mayor

ATTEST TO:

_____
HOPE BASKIN, City Secretary

Exhibit A
Resolution

[27 pages attached hereto]

COLLIN CENTRAL APPRAISAL DISTRICT

2026 CERTIFIED TAXABLE VALUE

JULY 23, 2026

TAXING ENTITY NAME	ALLOWS FREEZE	2025 CERTIFIED TAXABLE VALUE, AS OF 7-18-2025	2026 CERTIFIED TAXABLE VALUE (BEFORE FREEZE LOSS, BASED ON 7-23-2026 CERTIFICATION, INCLUDING NEW CONSTRUCTION & ANNEXATIONS) --See Footnote	2026 CERTIFIED TAXABLE VALUE COMPARED TO THE 2025 CERTIFIED TAXABLE VALUE	2026 TAXABLE VALUE OF NEW CONSTRUCTION & NEW BPP AS OF 7-23-2026	2026 TAXABLE VALUE OF ANNEXATIONS OR DEANNEXATIONS AS OF 7-23-2026	CALCULATED YEAR OVER-YEAR TAXABLE VALUE CHANGE FOR EXISTING PROPERTY	2026 AVERAGE MARKET VALUE OF HOMES AS OF 7-23-2026	2025 AVERAGE MARKET VALUE OF HOMES, AS OF 7-18-2025	2026 CALCULATED FREEZE TAXABLE VALUE LOSS AS OF 7-23-2026	2026 CALCULATED FREEZE ADJUSTED TAXABLE, AS OF 7-23-2026
SCHOOLS											
ALLEN ISD	YES	**$22,959,898,382**	**$24,147,025,353**	**5.17%**	$454,942,788	$0	3.19%	$601,235	$609,414	$2,292,329,769	**$21,854,695,584**
ANNA ISD	YES	**$4,166,114,012**	**$4,448,349,293**	**6.77%**	$319,612,758	$0	-0.90%	$362,059	$373,289	$240,337,029	**$4,208,012,264**
BLAND ISD	YES	**$33,303,170**	**$36,256,378**	**8.87%**	$4,471,827	$0	-4.56%	$373,302	$416,848	$2,146,247	**$34,110,131**
BLUE RIDGE ISD	YES	**$546,037,056**	**$598,975,186**	**9.69%**	$30,735,326	$0	4.07%	$340,599	$355,669	$45,843,251	**$553,131,935**
CELINA ISD	YES	**$5,922,453,739**	**$6,970,452,989**	**17.70%**	$794,661,686	$0	4.28%	$571,105	$622,352	$444,562,293	**$6,525,890,696**
COMMUNITY ISD	YES	**$3,096,831,457**	**$3,383,363,931**	**9.25%**	$358,993,205	$0	-2.34%	$352,548	$356,412	$263,445,205	**$3,119,918,726**
FARMERSVILLE ISD	YES	**$1,457,878,738**	**$1,524,751,239**	**4.59%**	$96,174,328	$0	-2.01%	$327,392	$348,707	$115,884,227	**$1,408,867,012**
FRISCO ISD	YES	**$48,526,593,131**	**$49,549,370,456**	**2.11%**	$1,121,619,200	$0	-0.20%	$700,163	$713,990	$3,071,153,876	**$46,478,216,580**
LEONARD ISD	YES	**$33,813,527**	**$33,329,106**	**-1.43%**	$1,758,667	$0	-6.63%	$309,877	$307,506	$3,157,330	**$30,171,776**
LOVEJOY ISD	YES	**$4,652,940,726**	**$4,911,213,442**	**5.55%**	$101,542,481	$0	3.37%	$1,090,233	$1,076,142	$1,133,496,007	**$3,777,717,435**
MCKINNEY ISD	YES	**$29,638,173,668**	**$31,269,687,362**	**5.50%**	$1,502,262,912	$0	0.44%	$564,107	$578,937	$3,548,476,838	**$27,721,210,524**
MELISSA ISD	YES	**$4,882,599,430**	**$5,235,206,615**	**7.22%**	$355,137,346	$0	-0.05%	$495,393	$507,217	$301,177,278	**$4,934,029,337**
PLANO ISD	YES	**$74,361,202,518**	**$75,779,630,022**	**1.91%**	$700,549,210	$0	0.97%	$614,707	$613,290	$11,294,200,183	**$64,485,429,839**
PRINCETON ISD	YES	**$5,502,535,832**	**$5,782,818,546**	**5.09%**	$591,143,215	$0	-5.65%	$301,872	$322,217	$200,101,708	**$5,582,716,838**
PROSPER ISD	YES	**$19,803,671,611**	**$20,899,127,376**	**5.53%**	$1,023,649,637	$0	0.36%	$743,001	$773,610	$1,702,103,072	**$19,197,024,304**
ROCKWALL ISD	YES	**$1,289,202**	**$1,357,385**	**5.29%**	$0	$0	5.29%	$980,796	$891,507	$460,027	**$897,358**
ROYSE CITY ISD	YES	**$399,406,885**	**$427,865,446**	**7.13%**	$33,563,489	$0	-1.28%	$322,071	$326,989	$20,200,497	**$407,664,949**
TRENTON ISD	YES	**$27,181,500**	**$25,136,494**	**-7.52%**	$0	$0	-7.52%	$393,863	$401,121	$3,148,747	**$21,987,747**
VAN ALSTYNE ISD	YES	**$179,872,439**	**$231,953,477**	**28.95%**	$37,865,474	$0	7.90%	$494,209	$542,682	$18,540,117	**$213,413,360**
WHITEWRIGHT ISD	YES	**$11,864,153**	**$12,521,679**	**5.54%**	$205,148	$0	3.81%	$406,904	$419,258	$1,111,265	**$11,410,414**
WYLIE ISD	YES	**$10,760,870,115**	**$10,723,323,143**	**-0.35%**	$174,683,975	$0	-1.97%	$471,442	$484,637	$1,072,301,330	**$9,651,021,813**

COLLIN CENTRAL APPRAISAL DISTRICT
2026 CERTIFIED TAXABLE VALUE
JULY 23, 2026

TAXING ENTITY NAME	ALLOWS FREEZE	2025 CERTIFIED TAXABLE VALUE, AS OF 7-18-2025	2026 CERTIFIED TAXABLE VALUE (BEFORE FREEZE LOSS, BASED ON 7-23-2026 CERTIFICATION, INCLUDING NEW CONSTRUCTION & ANNEXATIONS) --See Footnote	2026 CERTIFIED TAXABLE VALUE COMPARED TO THE 2025 CERTIFIED TAXABLE VALUE	2026 TAXABLE VALUE OF NEW CONSTRUCTION & NEW BPP AS OF 7-23-2026	2026 TAXABLE VALUE OF ANNEXATIONS OR DEANNEXATIONS AS OF 7-23-2026	CALCULATED YEAR OVER-YEAR TAXABLE VALUE CHANGE FOR EXISTING PROPERTY	2026 AVERAGE MARKET VALUE OF HOMES AS OF 7-23-2026	2025 AVERAGE MARKET VALUE OF HOMES, AS OF 7-18-2025	2026 CALCULATED FREEZE TAXABLE VALUE LOSS AS OF 7-23-2026	2026 CALCULATED FREEZE ADJUSTED TAXABLE, AS OF 7-23-2026
CITIES & TOWNS											
CITY OF ALLEN	NO	$23,110,845,991	$24,341,129,205	5.32%	$446,864,591	$0	3.39%	$587,795	$597,517		
CITY OF ANNA	NO	$4,374,378,861	$4,642,597,803	6.13%	$264,501,176	$1,495,528	0.05%	$351,524	$365,500		
CITY OF BLUE RIDGE	NO	$126,847,173	$158,326,588	24.82%	$1,408,608	$0	23.71%	$200,932	$226,944		
CITY OF CELINA	YES	$8,889,850,774	$10,220,995,988	14.97%	$994,927,936	$70,200,733	2.99%	$605,890	$659,658	$641,649,147	$9,579,346,841
CITY OF CARROLLTON	NO	$176,536,307	$162,673,844	-7.85%	$0	$0	N/A	N/A	N/A		
CITY OF DALLAS	NO	$7,910,399,463	$7,885,119,833	-0.32%	$76,680,489	$0	-1.29%	$690,336	$696,387		
CITY OF FARMERSVILLE	YES	$528,711,006	$546,325,064	3.33%	$10,924,913	$5,669,495	0.19%	$264,561	$262,984	$68,512,412	$477,812,652
CITY OF FRISCO	YES	$33,962,874,661	$35,362,312,556	4.12%	$860,904,667	$0	1.59%	$768,233	$777,147	$2,138,245,093	$33,224,067,463
TOWN OF FAIRVIEW	NO	$3,551,757,106	$3,732,304,588	5.08%	$100,885,512	$0	2.24%	$965,291	$939,198		
CITY OF GARLAND	NO	$41,732,912	$42,284,096	1.32%	$0	$0	1.32%	$546,080	$547,116		
CITY OF JOSEPHINE	YES	$348,577,230	$374,829,082	7.53%	$15,501,308	$410,423	2.97%	$341,496	$339,290	$48,070,795	$326,758,287
CITY OF LAVON	YES	$1,493,043,022	$1,740,612,749	16.58%	$265,716,873	$7,256,569	-1.70%	$364,091	$383,150	$156,871,125	$1,583,741,624
LOWRY CROSSING	YES	$373,923,516	$403,108,260	7.81%	$14,509,048	$0	3.92%	$430,932	$419,062	$81,479,125	$321,629,135
CITY OF LUCAS	YES	$2,706,907,732	$2,916,392,620	7.74%	$71,904,298	$0	5.08%	$1,180,774	$1,140,526	$519,894,537	$2,396,498,083
CITY OF MCKINNEY	NO	$44,693,007,766	$46,354,980,746	3.72%	$1,476,703,790	$4,979,079	0.40%	$560,849	$578,991		
CITY OF MELISSA	YES	$4,587,884,954	$5,009,234,631	9.18%	$334,959,522	$12,925,642	1.60%	$474,018	$492,890	$319,276,287	$4,689,958,344
CITY OF MURPHY	NO	$3,950,650,626	$4,079,028,455	3.25%	$32,071,136	$0	2.44%	$615,856	$611,297		
TOWN OF NEW HOPE	NO	$103,534,921	$112,268,235	8.44%	$5,402,743	$0	3.22%	$408,780	$391,718		
CITY OF NEVADA	NO	$237,247,783	$254,071,471	7.09%	$3,286,503	$21,296	5.70%	$424,264	$405,421		
CITY OF PARKER	NO	$2,097,878,597	$2,296,636,911	9.47%	$67,334,216	$13,983,609	5.60%	$1,183,181	$1,133,599		
CITY OF PLANO	YES	$62,611,596,913	$64,310,790,825	2.71%	$651,303,210	$0	1.67%	$590,239	$591,947	$9,012,272,071	$55,298,518,754

COLLIN CENTRAL APPRAISAL DISTRICT
2026 CERTIFIED TAXABLE VALUE
JULY 23, 2026

TAXING ENTITY NAME	ALLOWS FREEZE	2025 CERTIFIED TAXABLE VALUE, AS OF 7-18-2025	2026 CERTIFIED TAXABLE VALUE (BEFORE FREEZE LOSS, BASED ON 7-23-2026 CERTIFICATION, INCLUDING NEW CONSTRUCTION & ANNEXATIONS) --See Footnote	2026 CERTIFIED TAXABLE VALUE COMPARED TO THE 2025 CERTIFIED TAXABLE VALUE	2026 TAXABLE VALUE OF NEW CONSTRUCTION & NEW BPP AS OF 7-23-2026	2026 TAXABLE VALUE OF ANNEXATIONS OR DEANNEXATIONS AS OF 7-23-2026	CALCULATED YEAR OVER-YEAR TAXABLE VALUE CHANGE FOR EXISTING PROPERTY	2026 AVERAGE MARKET VALUE OF HOMES AS OF 7-23-2026	2025 AVERAGE MARKET VALUE OF HOMES, AS OF 7-18-2025	2026 CALCULATED FREEZE TAXABLE VALUE LOSS AS OF 7-23-2026	2026 CALCULATED FREEZE ADJUSTED TAXABLE, AS OF 7-23-2026
CITIES & TOWNS (cont'd)											
CITY OF PRINCETON	YES	$4,762,931,781	$5,315,319,609	11.60%	$474,182,397	$0	1.64%	$312,665	$333,631	$259,493,853	$5,055,825,756
TOWN OF PROSPER	YES	$8,345,327,227	$8,858,809,560	6.15%	$341,479,093	$0	2.06%	$912,161	$944,919	$1,000,622,217	$7,858,187,343
CITY OF RICHARDSON	NO	$11,009,303,224	$11,044,039,767	0.32%	$111,360,921	$0	-0.70%	$603,004	$597,258		
CITY OF ROYSE CITY	YES	$481,012,759	$521,145,483	8.34%	$34,124,784	$472,926	1.15%	$324,377	$330,767	$46,998,219	$474,147,264
CITY OF SACHSE	YES	$1,788,638,706	$1,816,225,385	1.54%	$4,360,991	$0	1.30%	$509,558	$520,737	$247,997,906	$1,568,227,479
TOWN OF ST. PAUL	NO	$215,979,783	$225,639,080	4.47%	$2,450,551	$29,038	3.32%	$596,384	$607,249		
CITY OF VAN ALSTYNE	NO	$79,254	$1,208	-98.48%	$0	$0	N/A	N/A	N/A		
CITY OF WESTON	YES	$237,414,564	$294,650,389	24.11%	$31,665,003	$1,096,451	10.31%	$583,980	$584,373	$31,774,127	$262,876,262
CITY OF WYLIE	YES	$8,658,388,732	$8,577,541,903	-0.93%	$70,807,222	$0	-1.75%	$431,596	$448,501	$1,015,712,495	$7,561,829,408
COUNTY & COLLEGE											
COLLIN COUNTY	YES	$268,302,714,069	$280,177,767,144	4.43%	$7,747,171,378	$0	1.54%	$588,119	$603,190	$35,584,852,891	$244,592,914,253
COLLIN CO. COLLEGE	YES	$239,997,201,927	$251,234,045,542	4.68%	$7,484,602,395	$0	1.56%	$588,119	$603,190	$24,512,588,351	$226,721,457,191
SPECIAL DISTRICTS											
COLLIN CO. EMERG. SERVS. #1 (ECC1)	NO	$0	$13,475,044,984	N/A	$764,354,933	$0	N/A	$408,648	N/A		
CELINA MMD#2 (MCL02)	NO	$40,789,822	$74,294,884	82.14%	$0	$0	N/A	N/A	N/A		
NORTH PARKWAY MMD#1 (MNP1)	NO	$355,821,784	$448,601,831	26.07%	$98,570,624	$0	N/A	$427,757	$547,877		
RAINWATER CROSSING MMD (MRWC)	NO	$0	$51,652,427	N/A	$0	$0	N/A	N/A	N/A		
TRAILS OF BLUE RIDGE (RDTBR)	NO	$70,049,672	$66,950,119	-4.42%	$199,468	$0	-4.71%	$606,086	$639,929		
BAINBRIDGE MUD (WBM)	NO	$0	$12,139,690	N/A	$0	$0	N/A	N/A	N/A		
BLUE MEADOW MUD#1 (WBMM1) NOT TAXING	NO	$0	$0	N/A	$0	$0	N/A	N/A	N/A		
BLUE MEADOW MUD#2 (WBMM2) NOT TAXING	NO	$0	$0	N/A	$0	$0	N/A	N/A	N/A		
BLUE MEADOW MUD#3 (WBMM3)	NO	$17,118,942	$31,293,592	82.80%	$11,931,996	$0	13.10%	$259,336	N/A		
BLUE MEADOW MUD#4 (WBMM4) NOT TAXING	NO	$0	$0	N/A	$0	$0	N/A	N/A	N/A		

COLLIN CENTRAL APPRAISAL DISTRICT
2026 CERTIFIED TAXABLE VALUE
JULY 23, 2026

TAXING ENTITY NAME	ALLOWS FREEZE	2025 CERTIFIED TAXABLE VALUE, AS OF 7-18-2025	2026 CERTIFIED TAXABLE VALUE (BEFORE FREEZE LOSS, BASED ON 7-23-2026 CERTIFICATION, INCLUDING NEW CONSTRUCTION & ANNEXATIONS) --See Footnote	2026 CERTIFIED TAXABLE VALUE COMPARED TO THE 2025 CERTIFIED TAXABLE VALUE	2026 TAXABLE VALUE OF NEW CONSTRUCTION & NEW BPP AS OF 7-23-2026	2026 TAXABLE VALUE OF ANNEXATIONS OR DEANNEXATIONS AS OF 7-23-2026	CALCULATED YEAR OVER-YEAR TAXABLE VALUE CHANGE FOR EXISTING PROPERTY	2026 AVERAGE MARKET VALUE OF HOMES AS OF 7-23-2026	2025 AVERAGE MARKET VALUE OF HOMES, AS OF 7-18-2025	2026 CALCULATED FREEZE TAXABLE VALUE LOSS AS OF 7-23-2026	2026 CALCULATED FREEZE ADJUSTED TAXABLE, AS OF 7-23-2026
SPECIAL DISTRICTS (cont'd)											
COLLIN COUNTY MUD#1 (WCCM1)	NO	$1,994,048,711	$2,061,112,306	3.36%	$67,893,040	$0	-0.04%	$665,879	$687,010		
COLLIN COUNTY MUD#2 (WCCM2)	NO	$972,767,462	$1,077,092,198	10.72%	$135,863,644	$5,656,410	-3.82%	$238,852	$265,151		
COLLIN COUNTY MUD#4 (WCCM4)	NO	$208,572,858	$282,330,610	35.36%	$59,392,492	$10,535,390	N/A	$255,537	$270,057		
COLLIN COUNTY MUD#5 (WCCM5)	NO	$51,829,051	$93,966,226	81.30%	$29,530,518	$0	N/A	$462,815	$439,965		
COLLIN COUNTY MUD#6 (WCCM6)	NO	$0	$36,098,298	N/A	$798,802	$0	N/A	$100,000	N/A		
COLLIN COUNTY WCID #3 (WCCW3)	NO	$1,141,282,923	$1,127,612,915	-1.20%	$43,614,987	$0	N/A	$574,121	$608,548		
CHAMBERS GROVE MUD#1 (WCGM1)	NO	$0	$64,782,928	N/A	$0	$0	N/A	N/A	N/A		
COLLIN COUNTY MUD#10 (WCM10)	NO	$40,977,471	$119,841,711	192.46%	$44,786,827	$3,779,099	N/A	$211,739	$187,670		
COLLIN COUNTY MUD#12 (WCM12) NOT TAXING	NO	$0	$0	N/A	$0	$0	N/A	N/A	N/A		
MAGNOLIA POINTE MUD #1 (WDRM1)	NO	$487,128,670	$506,457,025	3.97%	$35,680,300	$0	-3.36%	$260,958	$275,606		
DOUBLE R MUD#2A (WDRM2) NOT TAXING	NO	$0	$0	N/A	$0	$39,510	N/A	N/A	N/A		
EAST COLLIN COUNTY MUD #1 (WECM1)	NO	$0	$16,986,406	N/A	$0	$0	N/A	N/A	N/A		
EAST FORK FSWD#1A (WEF1A)	NO	$87,141,478	$150,913,359	73.18%	$29,251,728	$0	N/A	$421,946	$481,057		
ELEVON MUD#1A (WEM1A)	NO	$170,090,719	$215,201,261	26.52%	$29,317,931	$0	N/A	$291,807	$306,004		
LC MUD#1 (WLCM1)	NO	$27,648,249	$60,252,150	117.92%	$17,013,859	$0	N/A	$292,995	$322,138		
LAKEHAVEN MUD (WLHM)	NO	$231,610,258	$371,477,857	60.39%	$77,672,681	$0	N/A	$297,967	$307,872		
COUNTY COLLIN MUD CR412 (WM412)	NO	$119,468,799	$123,424,183	3.31%	$2,083,476	$0	1.57%	$368,825	$362,515		
MCKINNEY MUD#1 (WMM1)	NO	$1,040,271,842	$1,010,651,653	-2.85%	$2,555,717	$0	-3.09%	$555,507	$593,420		
MCKINNEY MUD#2 (WMM2)	NO	$610,997,342	$715,494,413	17.10%	$87,674,528	$0	2.75%	$511,033	$507,192		
MCKINNEY MUD#2A (WMM2A) NOT TAXING	NO	$0	$0	N/A	$0	$0	N/A	N/A	N/A		
NORTH COLLIN COUNTY MUD#1 (WNCM1)	NO	$0	$27,187,968	N/A	$0	$0	N/A	N/A	N/A		

COLLIN CENTRAL APPRAISAL DISTRICT
2026 CERTIFIED TAXABLE VALUE
JULY 23, 2026

TAXING ENTITY NAME	ALLOWS FREEZE	2025 CERTIFIED TAXABLE VALUE, AS OF 7-18-2025	2026 CERTIFIED TAXABLE VALUE (BEFORE FREEZE LOSS, BASED ON 7-23-2026 CERTIFICATION, INCLUDING NEW CONSTRUCTION & ANNEXATIONS) --See Footnote	2026 CERTIFIED TAXABLE VALUE COMPARED TO THE 2025 CERTIFIED TAXABLE VALUE	2026 TAXABLE VALUE OF NEW CONSTRUCTION & NEW BPP AS OF 7-23-2026	2026 TAXABLE VALUE OF ANNEXATIONS OR DEANNEXATIONS AS OF 7-23-2026	CALCULATED YEAR OVER-YEAR TAXABLE VALUE CHANGE FOR EXISTING PROPERTY	2026 AVERAGE MARKET VALUE OF HOMES AS OF 7-23-2026	2025 AVERAGE MARKET VALUE OF HOMES, AS OF 7-18-2025	2026 CALCULATED FREEZE TAXABLE VALUE LOSS AS OF 7-23-2026	2026 CALCULATED FREEZE ADJUSTED TAXABLE, AS OF 7-23-2026
SPECIAL DISTRICTS (cont'd)											
RIVERFIELD MUD#1 (WRFM1)	NO	**$9,391,000**	**$9,391,000**	**0.00%**	$0	$0	0.00%	N/A	N/A		
RAINTREE MUD#1 (WRTM1)	NO	**$9,897,522**	**$20,111,757**	**103.20%**	$0	$0	103.20%	N/A	N/A		
SEIS LAGOS UTILITY DIST (WSE)	NO	**$442,642,838**	**$459,934,041**	**3.91%**	$1,586,159	$0	3.55%	$900,665	$901,052		
SOUTHEAST COLLIN CO MUD #1 (WSEM1)	NO	**$0**	**$4,768,843**	N/A	$0	$0	N/A	N/A	N/A		
SERENADE MUD (WSM)	NO	**$0**	**$29,079,405**	N/A	$0	$5,602	N/A	N/A	N/A		
SEVEN SPRINGS MUD (WSPM) NOT TAXING	NO	**$0**	**$0**	N/A	$0	$10,239,841	N/A	N/A	N/A		
TICKEY CREEK MUD (WTCM)	NO	**$0**	**$12,341,130**	N/A	$0	$12,341,130	N/A	N/A	N/A		
UPTOWN MUD#1 (WUM1)	NO	**$126,299,743**	**$280,034,129**	**121.72%**	$58,670,056	$0	75.27%	$471,696	$453,507		
VAN ALSTYNE MUD#2 (WVAM2)	NO	**$47,883,542**	**$61,178,314**	**27.76%**	$4,769,526	$0	17.80%	$399,073	$393,291		
VAN ALSTYNE MUD#3 (WVAM3)	NO	**$83,561,600**	**$92,724,138**	**10.97%**	$26,063,816	$2,371,500	-23.06%	$347,091	$348,599		
WEST PRESTON MUD #1 (WWPM1)	NO	**$0**	**$58,730,252**	N/A	$0	$0	N/A	$524,557	N/A		

Remarks: The Certified Taxable Value column includes the ARB Approved Taxable Values, plus the Lower Value Used for properties remaining under protest , minus the exemptions already granted on properties remaining under protest. Please refer to the 2026 Certified Taxable Value Worksheet for Effective Rate to review the detailed calculations.

COLLIN CENTRAL APPRAISAL DISTRICT
2026 CERTIFIED TIF TIRZ CAPTURED VALUES

Printed: 7/23/2026

TIF or TIRZ NAME	ENTITY CODE	2025 TIF or TIRZ Taxable Value, as of 07-07-2026, after Supplement # 22	Base Taxable Value to Exclude from TIF or TIRZ Captured Value, for 2025	2025 Calculated TIF or TIRZ Captured Value	2026 Certified Taxable Value, 07-20-2026	Base TaxableValue to Exclude from TIF or TIRZ Captured Value, for 2026	2026 Calculated TIF or TIRZ Captured Value	2026 New Property Taxable Value (included in Taxable Value)
ALLEN TIF #1	TA1	$289,549,093	$2,424,420	$287,124,673	$297,177,228	$2,424,420	$294,752,808	$0
ALLEN TIF #2	TA2	$1,167,508,247	$81,267,393	$1,086,240,854	$1,190,914,589	$81,267,393	$1,109,647,196	$41,231,084
ALLEN TIRZ #3	TA3	$185,839,340	$282,221	$185,557,119	$232,698,191	$282,221	$232,415,970	$23,147,944
ALLEN TIRZ #4	TAL4	$53,014,349	$16,414,767	$36,599,582	$120,668,449	$16,414,767	$104,253,682	$71,884,449
ALLEN TIRZ #5	TAL5	$7,956,424	$8,588,160	$0	$0	$8,588,160	$0	$0
ANNA TIRZ #2	TAN02	$118,335,153	$15,118	$118,320,035	$120,703,981	$15,118	$120,688,863	$1,909,617
ANNA TIRZ #3	TAN03	$133,983,420	$18,245	$133,965,175	$145,874,289	$18,245	$145,856,044	$15,556,481
ANNA TIRZ #4	TAN04	$176,067,213	$53,194	$176,014,019	$176,145,168	$53,194	$176,091,974	$595,520
ANNA TIRZ #5	TAN05	$1,920,736	$8,350	$1,912,386	$2,304,403	$8,350	$2,296,053	$0
ANNA TIRZ #6	TAN06	$155,669,551	$67,261,273	$88,408,278	$213,854,117	$67,261,273	$146,592,844	$29,110,577
ANNA TIRZ #7	TAN07	$16,239,299	$16,239,299	$0	$7,373,436	$16,239,299	$0	$0
ANNA TIRZ #8	TAN08	$1,246,208	$1,246,208	$0	$1,177,740	$1,246,208	$0	$0
ANNA TIRZ #9	TAN09	$300,971	$300,971	$0	$7,952,951	$300,971	$7,651,980	$0
CELINA TIRZ #2	TCL02	$432,458,008	$6,182,256	$426,275,752	$429,338,905	$6,182,256	$423,156,649	$3,101,974
CELINA TIRZ #5	TCL05	$21,269,142	$4,582,987	$16,686,155	$36,585,218	$4,582,987	$32,002,231	$14,841,631
CELINA TIRZ #6	TCL06	$198,494,836	$1,672,560	$196,822,276	$194,896,120	$1,672,560	$193,223,560	$0
CELINA TIRZ #7	TCL07	$205,713,045	$19,189	$205,693,856	$193,101,150	$19,189	$193,081,961	$0
CELINA TIRZ #9	TCL09	$109,950,448	$7,838	$109,942,610	$97,564,921	$7,838	$97,557,083	$0
CELINA TIRZ #10	TCL10	$83,694,036	$14,153	$83,679,883	$111,050,686	$14,153	$111,036,533	$39,180,954
CELINA TIRZ #11	TCL11	$360,451,519	$86,443,673	$274,007,846	$425,819,175	$86,443,673	$339,375,502	$60,454,507
CELINA TIRZ #13	TCL13	$307,824,648	$382,197	$307,442,451	$519,115,739	$382,197	$518,733,542	$135,087,030
CELINA TIRZ #15	TCL15	$407,394	$489,409	$0	$29,058,831	$489,409	$28,569,422	$0
CELINA TIRZ #16	TCL16	$363,903	$501,277	$0	$333,468	$501,277	$0	$0
DALLAS TIF #21	TDA21	$329,446,957	$30,002,385	$299,444,572	$332,899,105	$30,002,385	$302,896,720	$0
FRISCO TIF #1	TF1	$2,328,650,657	$16,059,872	$2,312,590,785	$2,467,697,597	$16,059,872	$2,451,637,725	$4,951,919
FRISCO TIF #5	TF5	$954,166,411	$0	$954,166,411	$967,488,462	$0	$967,488,462	$20,670,468
FARMERSVILLE TIF #1	TFC1	$215,570,662	$54,904,342	$160,666,320	$233,814,530	$54,904,342	$178,910,188	$9,759,011
FARMERSVILLE TIF #2	TFC2	$485,083	$485,083	$0	$442,503	$485,083	$0	$0

COLLIN CENTRAL APPRAISAL DISTRICT
2026 CERTIFIED TIF TIRZ CAPTURED VALUES

Printed: 7/23/2026

TIF or TIRZ NAME	ENTITY CODE	2025 TIF or TIRZ Taxable Value, as of 07-07-2026, after Supplement # 22	Base Taxable Value to Exclude from TIF or TIRZ Captured Value, for 2025	2025 Calculated TIF or TIRZ Captured Value	2026 Certified Taxable Value, 07-20-2026	Base TaxableValue to Exclude from TIF or TIRZ Captured Value, for 2026	2026 Calculated TIF or TIRZ Captured Value	2026 New Property Taxable Value (included in Taxable Value)
FRISCO TIRZ #6	TFR06	$813,060,608	$580,717,626	$232,342,982	$854,787,912	$580,717,626	$274,070,286	$12,129,566
FRISCO TIRZ #7	TFR07	$82,249,715	$62,967	$82,186,748	$135,857,298	$62,967	$135,794,331	$53,452,112
FAIRVIEW TIRZ #1	TFV1	$570,377,171	$173,332,797	$397,044,374	$627,266,887	$173,332,797	$453,934,090	$34,393,017
LAVON TIRZ #2	TLA02	$263,461,282	$709,003	$262,752,279	$435,641,355	$1,273,918	$434,367,437	$163,984,944
MELISSA TIF #1	TM1	$379,357,183	$15,954,372	$363,402,811	$385,060,631	$15,954,372	$369,106,259	$7,161,388
MCKINNEY TIF #1	TMC1	$1,043,678,537	$236,841,057	$806,837,480	$1,125,535,862	$236,841,057	$888,694,805	$73,072,622
MCKINNEY TIF #2	TMC2	$619,637,330	$118,421,460	$501,215,870	$727,202,739	$118,421,460	$608,781,279	$65,202,161
PLANO TIF #2	TP2	$1,312,924,656	$306,807,183	$1,006,117,473	$1,420,453,141	$306,807,183	$1,113,645,958	$52,764,135
PLANO TIF #3	TP3	$1,137,801,120	$610,102,390	$527,698,730	$1,347,981,614	$610,102,390	$737,879,224	$138,485,025
PLANO TIRZ #4	TP4	$395,870,006	$260,340,729	$135,529,277	$447,505,682	$260,340,729	$187,164,953	$24,553,285
PLANO TIRZ #5	TP5	$2,180,706,439	$2,347,244,802	$0	$2,202,690,216	$2,347,244,802	$0	$0
PRINCETON TIRZ #2	TPN2	$122,422,133	$1,065,912	$121,356,221	$117,427,205	$1,065,912	$116,361,293	$649,297
PRINCETON TIRZ #3	TPN3	$274,064,872	$2,823,111	$271,241,761	$399,472,967	$2,823,111	$396,649,856	$81,969,910
PRINCETON TIRZ #4	TPN4	$96,521,638	$14,848,539	$81,673,099	$111,454,129	$14,848,539	$96,605,590	$19,752,985
PRINCETON TIRZ #5	TPN5	$210,775,476	$1,042,422	$209,733,054	$243,146,328	$1,042,422	$242,103,906	$20,177,410
PRINCETON TIRZ #6	TPN6	$123,720,199	$8,729,949	$114,990,250	$192,055,777	$8,729,949	$183,325,828	$68,219,744
PROSPER TIF #1	TPR1	$385,583,491	$4,507,850	$381,075,641	$497,381,147	$4,507,850	$492,873,297	$73,768,232
PROSPER TIF #2	TPR2	$38,403,656	$29,413	$38,374,243	$37,687,969	$29,413	$37,658,556	$0
RICHARDSON TIF #2	TRC2	$1,288,470,555	$37,485	$1,288,433,070	$1,334,878,174	$37,485	$1,334,840,689	$0
RICHARDSON TIF #3	TRC3	$272,550,248	$10,589,481	$261,960,767	$278,998,259	$10,589,481	$268,408,778	$0
SACHSE TIRZ #3	TSA03	$380,301,414	$156,139,086	$224,162,328	$381,089,738	$156,139,086	$224,950,652	$3,167,131

Land	Value
Homesite:	1,086,815,086
Non Homesite:	531,492,902
Ag Market:	152,351,704
Timber Market:	0

Improvement	Value
Homesite:	2,463,399,063
Non Homesite:	1,098,109,955

Non Real	Count	Value
Personal Property:	448	194,139,327
Mineral Property:	0	0
Autos:	0	0

Ag	Non Exempt	Exempt
Total Productivity Market:	152,351,638	66
Ag Use:	156,232	66
Timber Use:	0	0
Productivity Loss:	152,195,406	0

Total Land	(+)	1,770,659,692
Total Improvements	(+)	3,561,509,018
Total Non Real	(+)	194,139,327
Market Value	=	**5,526,308,037**
Productivity Loss	(-)	152,195,406
Appraised Value	=	**5,374,112,631**
Homestead Cap Loss	(-)	13,295,444
Non-HS (23.231) Cap Loss	(-)	62,119,010
Assessed Value	=	**5,298,698,177**
Total Exemptions Amount *(Breakdown on Next Page)*	(-)	783,866,070
Net Taxable	=	**4,514,832,107**

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	24,869,310	20,168,297	82,852.54	83,852.19	58
DPS	319,446	300,279	1,195.33	1,195.33	1
OV65	338,348,546	277,750,626	1,163,207.82	1,194,629.82	768
Total	363,537,302	298,219,202	1,247,255.69	1,279,677.34	827
Tax Rate	0.4541160				

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count
OV65	460,759	403,113	403,113	0	1
Total	460,759	403,113	403,113	0	1

Freeze Taxable	(-)	298,219,202
Transfer Adjustment	(-)	0
Freeze Adjusted Taxable	=	**4,216,612,905**

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
20,395,569.55 = 4,216,612,905 * (0.4541160 / 100) + 1,247,255.69

Estimated Certified Market Value:	5,526,308,037
Estimated Certified Taxable Value:	4,514,832,107

System computed estimate of value after all Under ARB Review props are complete.

Exemption Breakdown

Exemption	Count	Local	State	Total
145B	429	0	25,330,863	25,330,863
145D	3	0	20,669	20,669
145D1	6	0	566,699	566,699
145F	5	0	250,000	250,000
DP	60	1,598,550	0	1,598,550
DPS	1	0	0	0
DV1	20	0	142,000	142,000
DV2	23	0	147,000	147,000
DV3	48	0	416,000	416,000
DV4	134	0	834,000	834,000
DV4S	4	0	36,000	36,000
DVCH	1	0	363,470	363,470
DVHS	229	0	113,871,828	113,871,828
DVHSS	6	0	2,184,500	2,184,500
EX-XG	1	0	212,050	212,050
EX-XV	520	0	445,319,035	445,319,035
EX-XV (Prorated)	3	0	49,323	49,323
FR	1	136,103	0	136,103
HS	5,348	144,294,157	0	144,294,157
LVE	28	24,281,223	0	24,281,223
OV65	835	22,854,438	0	22,854,438
OV65S	7	210,000	0	210,000
PC	3	492,703	0	492,703
PPV	1	0	0	0
SO	14	255,459	0	255,459
	Totals	**194,122,633**	**589,743,437**	**783,866,070**

Land	Value
Homesite:	158,609,379
Non Homesite:	1,936,088
Ag Market:	0
Timber Market:	0

Improvement	Value
Homesite:	409,735,319
Non Homesite:	51,301

Non Real	Count	Value
Personal Property:	2	1,681,184
Mineral Property:	0	0
Autos:	0	0

Ag	Non Exempt	Exempt
Total Productivity Market:	0	0
Ag Use:	0	0
Timber Use:	0	0
Productivity Loss:	0	0

Total Land	(+)	160,545,467
Total Improvements	(+)	409,786,620
Total Non Real	(+)	1,681,184
Market Value	=	**572,013,271**
Productivity Loss	(-)	0
Appraised Value	=	**572,013,271**
Homestead Cap Loss	(-)	650,287
Non-HS (23.231) Cap Loss	(-)	1,008,695
Assessed Value	=	**570,354,289**
Total Exemptions Amount *(Breakdown on Next Page)*	(-)	27,807,225
Net Taxable	=	**542,547,064**

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	212,960	163,460	591.31	591.31	1
OV65	23,822,499	20,893,625	89,836.35	90,717.43	50
Total	24,035,459	21,057,085	90,427.66	91,308.74	51
Tax Rate	0.4541160				

Freeze Taxable	(-)	21,057,085
Freeze Adjusted Taxable	=	**521,489,979**

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
2,458,597.09 = 521,489,979 * (0.4541160 / 100) + 90,427.66

Estimated Certified Market Value:	551,615,593
Estimated Certified Taxable Value:	522,209,749

System computed estimate of value after all Under ARB Review props are complete.

Exemption Breakdown

Exemption	Count	Local	State	Total
145B	2	0	250,000	250,000
DP	1	30,000	0	30,000
DV1	1	0	5,000	5,000
DV2	6	0	42,000	42,000
DV3	1	0	0	0
DV4	8	0	84,000	84,000
DVHS	4	0	1,402,465	1,402,465
HS	823	24,278,959	0	24,278,959
OV65	57	1,684,800	0	1,684,800
OV65S	1	30,000	0	30,000
SO	2	1	0	1
	Totals	**26,023,760**	**1,783,465**	**27,807,225**

Land	Value
Homesite:	1,245,424,465
Non Homesite:	533,428,990
Ag Market:	152,351,704
Timber Market:	0

Improvement	Value
Homesite:	2,873,134,382
Non Homesite:	1,098,161,256

Non Real	Count	Value
Personal Property:	450	195,820,511
Mineral Property:	0	0
Autos:	0	0

Ag	Non Exempt	Exempt
Total Productivity Market:	152,351,638	66
Ag Use:	156,232	66
Timber Use:	0	0
Productivity Loss:	152,195,406	0

Total Land	(+)	1,931,205,159
Total Improvements	(+)	3,971,295,638
Total Non Real	(+)	195,820,511
Market Value	=	**6,098,321,308**
Productivity Loss	(-)	152,195,406
Appraised Value	=	**5,946,125,902**
Homestead Cap Loss	(-)	13,945,731
Non-HS (23.231) Cap Loss	(-)	63,127,705
Assessed Value	=	**5,869,052,466**
Total Exemptions Amount *(Breakdown on Next Page)*	(-)	811,673,295
Net Taxable	=	**5,057,379,171**

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	25,082,270	20,331,757	83,443.85	84,443.50	59
DPS	319,446	300,279	1,195.33	1,195.33	1
OV65	362,171,045	298,644,251	1,253,044.17	1,285,347.25	818
Total	387,572,761	319,276,287	1,337,683.35	1,370,986.08	878
Tax Rate	0.4541160				

Freeze Taxable	(-)	319,276,287

Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count
OV65	460,759	403,113	403,113	0	1
Total	460,759	403,113	403,113	0	1

Transfer Adjustment	(-)	0
Freeze Adjusted Taxable	=	**4,738,102,884**

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
22,854,166.64 = 4,738,102,884 * (0.4541160 / 100) + 1,337,683.35

Estimated Certified Market Value:	6,077,923,630
Estimated Certified Taxable Value:	5,037,041,856

System computed estimate of value after all Under ARB Review props are complete.

Exemption Breakdown

Exemption	Count	Local	State	Total
145B	431	0	25,580,863	25,580,863
145D	3	0	20,669	20,669
145D1	6	0	566,699	566,699
145F	5	0	250,000	250,000
DP	61	1,628,550	0	1,628,550
DPS	1	0	0	0
DV1	21	0	147,000	147,000
DV2	29	0	189,000	189,000
DV3	49	0	416,000	416,000
DV4	142	0	918,000	918,000
DV4S	4	0	36,000	36,000
DVCH	1	0	363,470	363,470
DVHS	233	0	115,274,293	115,274,293
DVHSS	6	0	2,184,500	2,184,500
EX-XG	1	0	212,050	212,050
EX-XV	520	0	445,319,035	445,319,035
EX-XV (Prorated)	3	0	49,323	49,323
FR	1	136,103	0	136,103
HS	6,171	168,573,116	0	168,573,116
LVE	28	24,281,223	0	24,281,223
OV65	892	24,539,238	0	24,539,238
OV65S	8	240,000	0	240,000
PC	3	492,703	0	492,703
PPV	1	0	0	0
SO	16	255,460	0	255,460
	Totals	**220,146,393**	**591,526,902**	**811,673,295**

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	Single-Family Residential	8,073	1,689.7583	$119,137,505	$3,426,576,139	$3,120,942,245
B	Multi-Family Residential	19	74.4594	$88,150,694	$515,166,966	$514,869,332
C1	Vacant Lots and Tracts	382	491.8870	$0	$148,810,960	$137,362,908
D1	Qualified Ag Land	88	1,201.8629	$0	$152,351,638	$155,645
D2	Improvements on Qualified Ag Land	9		$0	$67,615	$67,615
E	Rural Non-Ag Land & Imprvs	53	615.5023	$0	$55,898,634	$51,717,048
F1	Commercial Real Property	171	400.6400	$68,372,234	$463,410,313	$427,762,311
F2	Industrial and Manufacturing Real Prop	8	70.8642	$0	$24,590,162	$23,183,902
J2	Gas Distribution Systems	2	0.1100	$0	$3,896,600	$3,771,600
J3	Electric Companies and Co-Ops	1		$0	$9,340,576	$9,215,576
J4	Telephone Companies and Co-Ops	4	0.2579	$0	$749,369	$428,255
J6	Pipelines	1		$0	$263,785	$138,785
J7	Cable Television Companies	1		$0	$25,393	$0
J8	Other Utilities	1		$0	$620	$0
L1	Commercial Personal Property	427		$28,099,407	$131,170,853	$106,017,051
L2	Industrial and Manufacturing Personal	8		$0	$24,184,637	$23,361,796
M1	Tangible Personal Mobile Homes	4		$0	$60,331	$14,405
O	Residential Real Property Inventory	813	62.4335	$29,008,591	$99,871,008	$95,812,826
S	Special Personal Property Inventory	2		$0	$10,807	$10,807
X	Totally Exempt Property	547	2,042.5399	$104,838,784	$469,861,631	$0
	Totals		6,650.3154	$437,607,215	$5,526,308,037	$4,514,832,107

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	Single-Family Residential	1,228	190.5065	$11,525,453	$569,235,695	$540,019,488
E	Rural Non-Ag Land & Imprvs	1	9.0400	$0	$774,501	$774,501
L1	Commercial Personal Property	2		$0	$1,681,184	$1,431,184
O	Residential Real Property Inventory	1		$243,891	$321,891	$321,891
	Totals		199.5465	$11,769,344	$572,013,271	$542,547,064

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	Single-Family Residential	9,301	1,880.2648	$130,662,958	$3,995,811,834	$3,660,961,733
B	Multi-Family Residential	19	74.4594	$88,150,694	$515,166,966	$514,869,332
C1	Vacant Lots and Tracts	382	491.8870	$0	$148,810,960	$137,362,908
D1	Qualified Ag Land	88	1,201.8629	$0	$152,351,638	$155,645
D2	Improvements on Qualified Ag Land	9		$0	$67,615	$67,615
E	Rural Non-Ag Land & Imprvs	54	624.5423	$0	$56,673,135	$52,491,549
F1	Commercial Real Property	171	400.6400	$68,372,234	$463,410,313	$427,762,311
F2	Industrial and Manufacturing Real Prop	8	70.8642	$0	$24,590,162	$23,183,902
J2	Gas Distribution Systems	2	0.1100	$0	$3,896,600	$3,771,600
J3	Electric Companies and Co-Ops	1		$0	$9,340,576	$9,215,576
J4	Telephone Companies and Co-Ops	4	0.2579	$0	$749,369	$428,255
J6	Pipelines	1		$0	$263,785	$138,785
J7	Cable Television Companies	1		$0	$25,393	$0
J8	Other Utilities	1		$0	$620	$0
L1	Commercial Personal Property	429		$28,099,407	$132,852,037	$107,448,235
L2	Industrial and Manufacturing Personal	8		$0	$24,184,637	$23,361,796
M1	Tangible Personal Mobile Homes	4		$0	$60,331	$14,405
O	Residential Real Property Inventory	814	62.4335	$29,252,482	$100,192,899	$96,134,717
S	Special Personal Property Inventory	2		$0	$10,807	$10,807
X	Totally Exempt Property	547	2,042.5399	$104,838,784	$469,861,631	$0
	Totals	6,849.8619		$449,376,559	$6,098,321,308	$5,057,379,171

New Value

TOTAL NEW VALUE MARKET:	**$449,376,559**
TOTAL NEW VALUE TAXABLE:	**$334,959,522**

New Exemptions

Exemption	Description	Count		
EX-XV	Other Exemptions (public, religious, charitable,	15	2025 Market Value	$1,343,609
	ABSOLUTE EXEMPTIONS VALUE LOSS			**$1,343,609**

Exemption	Description	Count	Exemption Amount
145B	11.145 (b) Single Situs, Single Owner	425	$24,877,678
145F	11.145 (f) Single Situs, Related Business Entity	5	$250,000
DP	Disabled Person	1	$30,000
DV1	Disabled Veteran 10% - 29%	1	$5,000
DV2	Disabled Veteran 30% - 49%	4	$39,000
DV3	Disabled Veteran 50% - 69%	7	$74,000
DV4	Disabled Veteran 70% - 100%	16	$186,000
DVHS	100% Disabled Veteran Homestead	16	$6,349,552
DVHSS	100% Disabled Veteran Homestead Surviving Sp	1	$164,386
HS	General Homestead	123	$3,147,985
OV65	Age 65 or Older	76	$2,190,000
OV65S	Age 65 or Older Surviving Spouse	2	$60,000
	PARTIAL EXEMPTIONS VALUE LOSS	**677**	**$37,373,601**
		NEW EXEMPTIONS VALUE LOSS	**$38,717,210**

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amount
	INCREASED EXEMPTIONS VALUE LOSS		
	TOTAL NEW & INCREASED EXEMPTIONS VALUE LOSS		**$38,717,210**

New Ag / Timber Valuations

New Annexations

Count	Market Value	Taxable Value
12	$14,899,081	$12,925,642

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
6,155	$474,018	$29,569	$444,449

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
6,151	$473,988	$29,535	$444,453

Median Homestead Value

Category A and E

Count of HS Residences	Median Market	Median HS Exemption	Median Taxable
6,155	$459,833	$27,380	$432,453

Category A Only

Count of HS Residences	Median Market	Median HS Exemption	Median Taxable
6,151	$459,833	$27,376	$432,457

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
1,232	$572,013,271	$522,209,749

Uncontested Value

Count of Uncontested Properties	Total Market Value	Total Uncontested Value

Land	Value
Homesite:	109,937,458
Non Homesite:	46,915,674
Ag Market:	23,383,655
Timber Market:	0

Improvement	Value
Homesite:	232,021,984
Non Homesite:	76,180,092

Non Real	Count	Value
Personal Property:	0	0
Mineral Property:	0	0
Autos:	0	0

Ag	Non Exempt	Exempt
Total Productivity Market:	23,383,589	66
Ag Use:	17,140	66
Timber Use:	0	0
Productivity Loss:	23,366,449	0

Total Land	(+)	180,236,787
Total Improvements	(+)	308,202,076
Total Non Real	(+)	0
Market Value	=	**488,438,863**
Productivity Loss	(-)	23,366,449
Appraised Value	=	**465,072,414**
Homestead Cap Loss	(-)	3,000,240
Non-HS (23.231) Cap Loss	(-)	20,457,753
Assessed Value	=	**441,614,421**
Total Exemptions Amount *(Breakdown on Next Page)*	(-)	72,439,959
Net Taxable	=	**369,174,462**

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
DP	3,429,659	2,583,066	10,875.13	10,889.83	11
OV65	33,555,434	26,479,237	112,408.60	116,835.63	108
Total	36,985,093	29,062,303	123,283.73	127,725.46	119
Tax Rate	0.4541160				

Freeze Taxable	(-)	29,062,303
Freeze Adjusted Taxable	=	**340,112,159**

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
1,667,787.46 = 340,112,159 * (0.4541160 / 100) + 123,283.73

Estimated Certified Market Value:	487,275,911
Estimated Certified Taxable Value:	369,002,323

System computed estimate of value after all Under ARB Review props are complete.

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	11	273,750	0	273,750
DV1	3	0	22,000	22,000
DV2	5	0	22,500	22,500
DV3	4	0	32,000	32,000
DV4	22	0	108,000	108,000
DV4S	1	0	12,000	12,000
DVHS	25	0	9,802,257	9,802,257
DVHSS	2	0	322,186	322,186
EX-XG	1	0	212,050	212,050
EX-XV	169	0	45,968,948	45,968,948
EX-XV (Prorated)	2	0	8,617	8,617
HS	590	12,665,850	0	12,665,850
OV65	115	2,989,800	0	2,989,800
SO	1	1	0	1
	Totals	**15,929,401**	**56,510,558**	**72,439,959**

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	Single-Family Residential	981	152.6788	$86,321	$352,049,401	$317,441,078
B	Multi-Family Residential	4	0.4528	$0	$1,195,778	$898,144
C1	Vacant Lots and Tracts	55	48.0266	$0	$10,741,603	$7,746,879
D1	Qualified Ag Land	22	133.5240	$0	$23,383,589	$17,140
D2	Improvements on Qualified Ag Land	1		$0	$1,226	$1,226
E	Rural Non-Ag Land & Imprvs	2	2.0000	$0	$957,102	$923,739
F1	Commercial Real Property	51	31.6518	$7,106,334	$53,376,557	$41,731,679
J2	Gas Distribution Systems	1	0.1100	$0	$4,400	$4,400
J4	Telephone Companies and Co-Ops	1	0.2579	$0	$239,844	$110,429
M1	Tangible Personal Mobile Homes	1		$0	$445	$445
O	Residential Real Property Inventory	1	0.1420	$0	$299,303	$299,303
X	Totally Exempt Property	172	91.9590	$0	$46,189,615	$0
		Totals	460.8029	$7,192,655	$488,438,863	$369,174,462

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A1	Residential Single-Family	946	136.3769	$86,321	$347,435,663	$314,034,493
A2	Residential Manufactured Home (Owns l	26	5.9089	$0	$4,597,738	$3,390,585
A9	Residential Single-Fam Imprv - Next Yr (	2		$0	$0	$0
B2	Residential Duplex	4	0.4528	$0	$1,195,778	$898,144
C1	Vacant Residential Lots (In City)	39	34.7181	$0	$5,631,813	$4,131,413
C3	Vacant Commercial Lots (In City)	12	12.4345	$0	$5,101,790	$3,607,466
D1	Qualified Ag Land	22	133.5240	$0	$23,383,589	$17,140
D2	Farm & Ranch Imprv on Qualified Ag La	1		$0	$1,226	$1,226
E1	Farm & Ranch Single-Family	2	2.0000	$0	$957,102	$923,739
F1	Commercial - Real	44	28.8628	$4,466,630	$43,828,130	$32,899,869
F3	Office Commercial - Real	6	2.7890	$0	$5,643,794	$5,054,096
F7	Commercial Imprv - Shell Only 100%	2		$2,639,704	$3,904,633	$3,777,714
F9	Commercial Imprv - Next Yr (No Value)	1		$0	$0	$0
J2A	Gas Distribution - Real	1	0.1100	$0	$4,400	$4,400
J4A	Telephone Companies - Real	1	0.2579	$0	$239,844	$110,429
M3	Tangible Personal Manufactured Homes	1		$0	$445	$445
M4	HOA Owned Common Area	12	10.3930	$0	$16,000	$16,000
M5	Non-HOA Common Area	4	0.8740	$0	$8,000	$8,000
O	Residential Inventory	1	0.1420	$0	$299,303	$299,303
X	Totally Exempt Property	172	91.9590	$0	$46,189,615	$0
	Totals	460.8029		$7,192,655	$488,438,863	$369,174,462

New Value

TOTAL NEW VALUE MARKET:	**$7,192,655**
TOTAL NEW VALUE TAXABLE:	**$7,158,085**

New Exemptions

Exemption	Description	Count		
EX-XV	Other Exemptions (public, religious, charitable,	5	2025 Market Value	$243,609
	ABSOLUTE EXEMPTIONS VALUE LOSS			**$243,609**

Exemption	Description	Count	Exemption Amount
DV1	Disabled Veteran 10% - 29%	1	$5,000
DV3	Disabled Veteran 50% - 69%	1	$12,000
DV4	Disabled Veteran 70% - 100%	1	$12,000
DVHS	100% Disabled Veteran Homestead	2	$704,742
DVHSS	100% Disabled Veteran Homestead Surviving Sp	1	$164,386
HS	General Homestead	6	$97,952
OV65	Age 65 or Older	7	$180,000
	PARTIAL EXEMPTIONS VALUE LOSS	**19**	**$1,176,080**
		NEW EXEMPTIONS VALUE LOSS	**$1,419,689**

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amount
	INCREASED EXEMPTIONS VALUE LOSS		
		TOTAL NEW & INCREASED EXEMPTIONS VALUE LOSS	**$1,419,689**

New Ag / Timber Valuations

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
587	$374,902	$26,207	$348,695

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
587	$374,902	$26,207	$348,695

Median Homestead Value

Category A and E

Count of HS Residences	Median Market	Median HS Exemption	Median Taxable
587	$378,929	$22,818	$356,111

Category A Only

Count of HS Residences	Median Market	Median HS Exemption	Median Taxable
587	$378,929	$22,818	$356,111

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
93	$35,084,298	$32,859,026

Uncontested Value

Count of Uncontested Properties	Total Market Value	Total Uncontested Value

2026 APPRAISAL ROLL CERTIFICATION

PROPERTY TAX CODE §26.01(a)
CERTIFICATION OF APPRAISAL ROLL

I, Marty Wright, Chief Appraiser for the Collin Central Appraisal District, do hereby certify that the attached appraisal records constitute the certified appraisal roll for taxable property located in Collin County, together with the accompanying Certified Totals report pages identified as **ARB Approved Totals**.

PROPERTY TAX CODE §26.01(c)
CERTIFICATION OF PROPERTIES UNDER PROTEST

I, Marty Wright, Chief Appraiser for the Collin Central Appraisal District, do hereby certify that the attached appraisal records identify taxable property that was not included in the certified appraisal roll because the property remained under protest as of the Appraisal Review Board approval date.

The values for these properties are shown on the accompanying totals pages identified as **Under ARB Review Totals**.

If no pages titled "Under ARB Review Totals" are included, all protests were resolved on or before the ARB approval date and are included in the certified appraisal roll.

The Collin Appraisal Review Board approved the appraisal records on July 10, 2026.

Signature of Chief Appraiser

07/23/2026
Date

Important Information for Tax Rate Calculations

The values shown on the Under ARB Review Totals pages reflect the current “raw” market and taxable values for the properties remaining under protest. These values have not been adjusted as required by Property Tax Code §26.01(c).

For purposes of calculating the no-new-revenue and voter-approval tax rates, taxing units should use:

[Taxable Value from the “ARB Approved Totals”]
\+ [Total Value Used from the “Effective Rate Assumption” (Lower Value Used section)]
\- [Total Exemptions Amount from the “Under ARB Review Totals”]

The Grand Totals page is simply the sum of the ARB Approved Totals plus the Under ARB Review Totals and does not reflect the statutory §26.01(c) adjustments.

(taxing entity list on next page)

Collin Central Appraisal District

- ALLEN CITY [CAL]
- ANNA CITY [CAN]
- BLUE RIDGE CITY [CBL]
- CARROLLTON CITY [CCR]
- CELINA CITY [CCL]
- DALLAS CITY [CDA]
- FAIRVIEW TOWN [CFV]
- FARMERSVILLE CITY [CFC]
- FRISCO CITY [CFR]
- GARLAND CITY [CGA]
- JOSEPHINE CITY [CJO]
- LAVON CITY [CLA]
- LOWRY CROSSING CITY [CLC]
- LUCAS CITY [CLU]
- MCKINNEY CITY [CMC]
- MELISSA CITY [CML]
- MURPHY CITY [CMR]
- NEVADA CITY [CNV]
- NEW HOPE TOWN [CNH]
- PARKER CITY [CPK]
- PLANO CITY [CPL]
- PRINCETON CITY [CPN]
- PROSPER TOWN [CPR]
- RICHARDSON CITY [CRC]
- ROYSE CITY [CRY]
- SACHSE CITY [CSA]
- ST PAUL TOWN [CSP]
- VAN ALSTYNE CITY [CVA]
- WESTON CITY [CWS]
- WYLIE CITY [CWY]

- ALLEN ISD [SAL]
- ANNA ISD [SAN]
- BLAND ISD [SBD]
- BLUE RIDGE ISD [SBL]
- CELINA ISD [SCL]
- COMMUNITY ISD [SCO]
- FARMERSVILLE ISD [SFC]
- FRISCO ISD [SFR]
- LEONARD ISD [SLN]
- LOVEJOY ISD [SLV]
- MCKINNEY ISD [SMC]
- MELISSA ISD [SML]
- PLANO ISD [SPL]
- PRINCETON ISD [SPN]
- PROSPER ISD [SPR]
- ROCKWALL ISD [SRW]
- ROYSE CITY ISD [SRY]
- TRENTON ISD [STR]
- VAN ALSTYNE ISD [SVA]
- WHITEWRIGHT ISD [SWH]
- WYLIE ISD [SWY]

- COLLIN COUNTY [GCN]
- COLLIN COLLEGE [JCN]

- COLLIN COUNTY EMERGENCY SERVICES DIST #1 [ECC1]
- COLLIN COUNTY ROAD DIST (Trls of Blue Rdg) [RDTBR]

- BAINBRIDGE MUD [WBM]
- BLUE MEADOW MUD #1 [WBMM1]
- BLUE MEADOW MUD #2 [WBMM2]
- BLUE MEADOW MUD #3 [WBMM3]
- BLUE MEADOW MUD #4 [WBMM4]
- CELINA MMD #2 [MCL02]
- CHAMBERS GROVE MUD #1 [WCGM1]
- COLLIN COUNTY MUD #01 [WCCM1]
- COLLIN COUNTY MUD #02 [WCCM2]
- COLLIN COUNTY MUD #04 [WCCM4]
- COLLIN COUNTY MUD #05 [WCCM5]
- COLLIN COUNTY MUD #06 [WCCM6]
- COLLIN COUNTY MUD #10 [WCM10]
- COLLIN COUNTY MUD #12 [WCM12]
- COLLIN COUNTY MUD CR412 [WM412]
- COLLIN COUNTY WCID #3 [WCCW3]
- DOUBLE R MUD #2A [WDRM2]
- EAST COLLIN COUNTY MUD #1 [WECM1]
- EAST FORK FWSD #1A [WEF1A]
- ELEVON MUD #1A [WEM1A]
- LAKEHAVEN MUD [WLHM]
- LC MUD #1 [WLCM1]
- MAGNOLIA POINTE MUD #1 [WDRM1]
- MCKINNEY MUD #1 [WMM1]
- MCKINNEY MUD #2 [WMM2]
- MCKINNEY MUD #2A [WMM2A]
- NORTH COLLIN COUNTY MUD #1 [WNCM1]
- NORTH PARKWAY MMD #1 (SF Defined Area #1) [MNP1]
- RAINTREE MUD #1 [WRTM1]
- RAINWATER CROSSING MMD [MRWC]
- RIVERFIELD MUD #1 [WRFM1]
- SEIS LAGOS UTILITY DIST [WSE]
- SERENADE MUD [WSM]
- SEVEN SPRINGS MUD [WSPM]
- SOUTHEAST COLLIN COUNTY MUD #1 [WSEM1]
- TICKEY CREEK MUD [WTCM]
- UPTOWN MUD #1 [WUM1]
- VAN ALSTYNE MUD #2 [WVAM2]
- VAN ALSTYNE MUD #3 [WVAM3]
- WEST PRESTON MUD #1 [WWPM1]

SCOTT GRIGG
TAX ASSESSOR COLLECTOR
COLLIN COUNTY
2300 Bloomdale Road, Ste. 2366
P.O. Box 8046
McKinney, TX 75070-8046
(972) 547-5020
FAX (214) 491-4808
Email: **sgrigg@co.collin.tx.us**

July 31, 2026

Mayor Jay Northcut
City of Melissa
3411 Barker Avenue
Melissa, TX 75454

Dear Mayor Northcut,

In accordance with Texas Property Tax Code, Section 26.04 (b) and 26.012 (10), I hereby certify that:

The anticipated collection rate for 2026 will be 100%.

Per Tax Code Sec. 26.04 (b) If the collector certified an anticipated collection rate in the preceding year and the actual collection rate in that year exceeded the anticipated rate, the collector shall also certify the amount of debt taxes collected in excess of the anticipated amount in the preceding year.

Since we certified a 100% anticipated collection rate and the actual collection rate came in at 99.35% we are not required to certify any excess debt for 2025.

I, Scott Grigg, Tax Assessor-Collector of Collin County, hereby certify that the above statements are true and correct to the best of my knowledge.

Please feel free to reach out to me if I can be of any assistance or answer any questions.

Sincerely,

Scott Grigg

Scott Grigg, CFE, CTOP, PCC, PCAC

SG:jd

cc: Jason Little
Gail Dansby
Cheryl Fields

This letter is a required notice by Texas Property Tax Code, Section 26.04 (b) and 26.012 (10).

CITY OF MELISSA

QUARTERLY FINANCIAL REPORT

PERIOD ENDING: JUNE 2026 - 75% THRU FY26

MELISSA TX

TABLE OF CONTENTS

FINANCIAL SUMMARY - BUDGET VS YTD ACTUALS

KEY REVENUE SOURCES

ACTUAL VS HISTORICAL RESIDENTIAL PERMIT TRENDS YTD

WATER/WASTEWATER DATA AND SALES

SOLID WASTE DATA

INVESTMENT REPORT

WATER IMPACT FEES FUND

WASTEWATER IMPACT FEES FUND

WATER/WASTEWATER TAP FEES FUND

PARK DEVELOPMENT FEES FUND

ROADWAY IMPACT FEES FUND & MAP

MELISSA TX

FINANCIAL SUMMARY

FY26 BUDGET VS YTD ACTUALS
AS OF 06/30/26

REVENUE

DESCRIPTION	GENERAL FUND	UTILITY FUND
ORIGINAL BUDGETED REVENUE	$27,530,448	$28,559,498
YTD ACTUAL REVENUE	$24,984,075	$20,323,619
% OF BUDGET	91%	71%

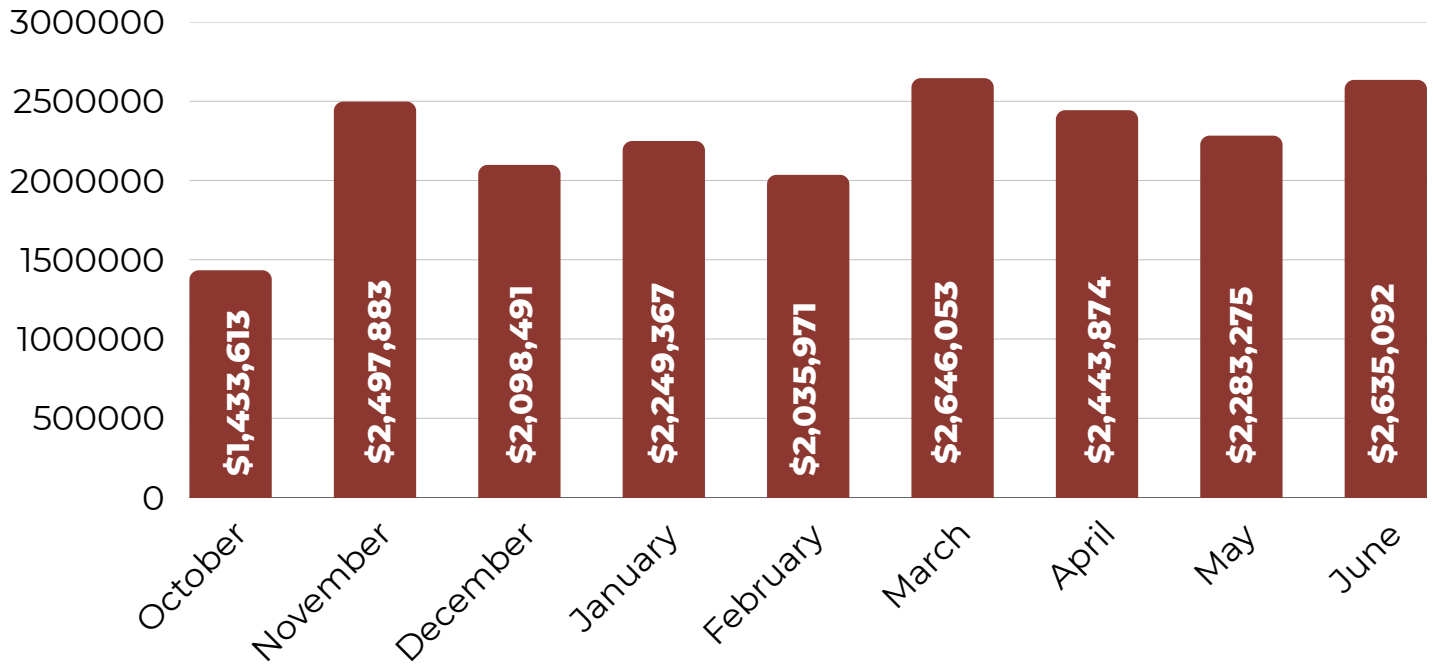
EXPENDITURES

DESCRIPTION	GENERAL FUND	UTILITY FUND
ORIGINAL BUDGETED EXPENDITURES	$27,530,448	$28,042,429
YTD ACTUAL EXPENDITURES	$21,957,914	$17,706,894
% OF BUDGET	80%	63%

KEY REVENUE SOURCES

FY26 UTILITY FUND REVENUE

AS OF 06/30/26



TOTAL ACCUMULATED REVENUE
AS OF JUNE 2026
$20,323,619
71% OF BUDGETED

KEY REVENUE SOURCES

FY26 PRIMARY GENERAL FUND REVENUE

AS OF 06/30/26

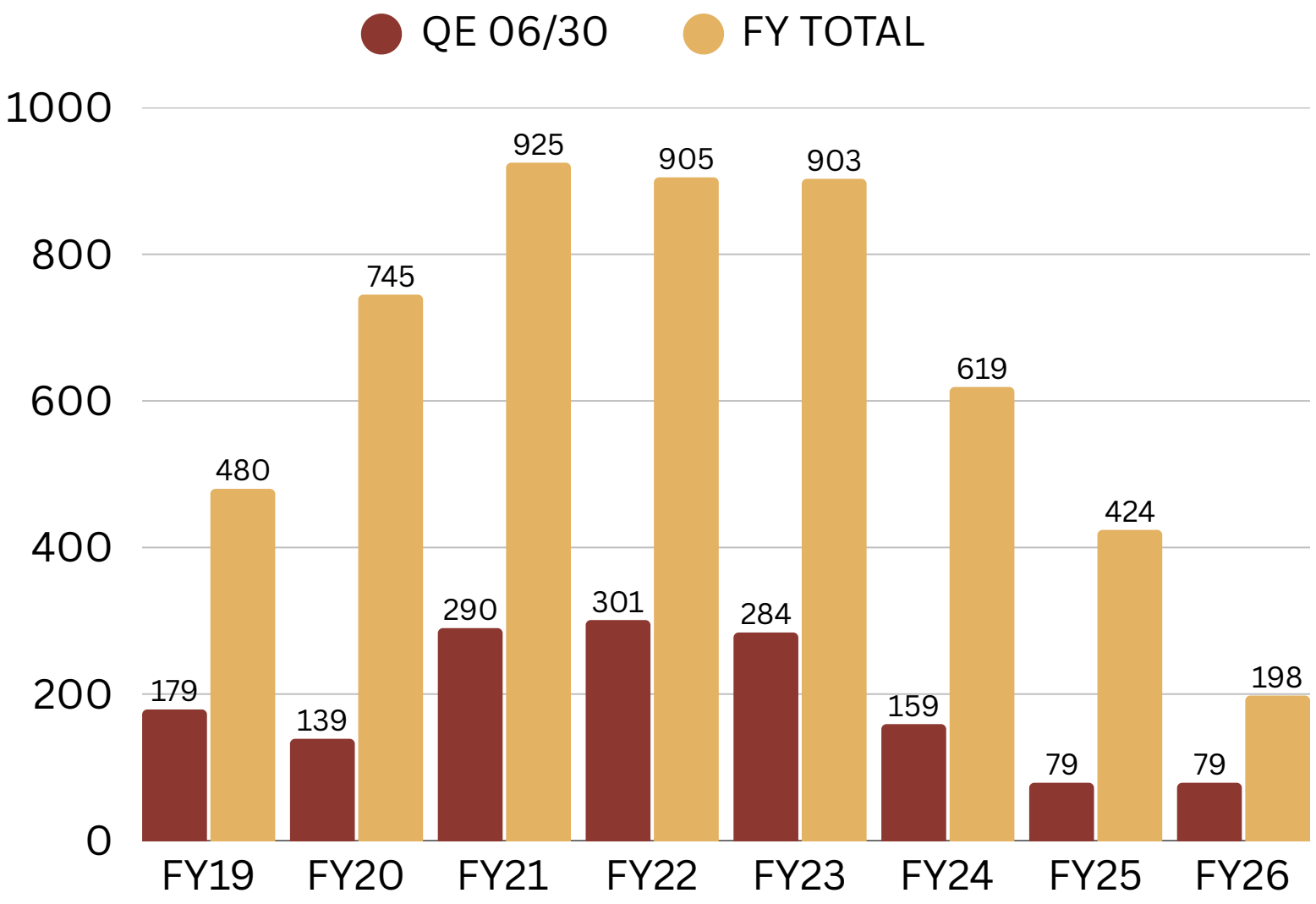
REVENUE SOURCE	BUDGETED REVENUE	YTD ACTUAL	% OF ORIGINAL BUDGET	PRIOR YTD
SALES TAX	$5,525,000	$4,193,201	76%	$3,782,326
PROPERTY TAX	$13,736,517	$13,462,637	98%	$11,677,499
COURT FINES	$925,000	$866,939	94%	$782,088
PERMIT FEES	$2,000,000	$1,329,914	66%	$1,669,848

TOTAL SALES TAX REVENUE

AS OF 06/30/26

REVENUE SOURCE	BUDGETED REVENUE	YTD ACTUAL	% OF ORIGINAL BUDGET	PRIOR YTD
TOTAL SALES TAX	$11,050,000	$8,340,061	75%	$7,389,805
GENERAL FUND	$5,525,000	$4,193,201	76%	$3,782,326
MCEDC - 4B	$2,762,500	$2,096,601	76%	$1,891,163
CRIME CONTROL DISTRICT	$1,381,250	$1,026,587	74%	$856,091
FIRE PREVENTION DISTRICT	$1,381,250	$1,023,672	74%	$860,225

RESIDENTIAL PERMITS



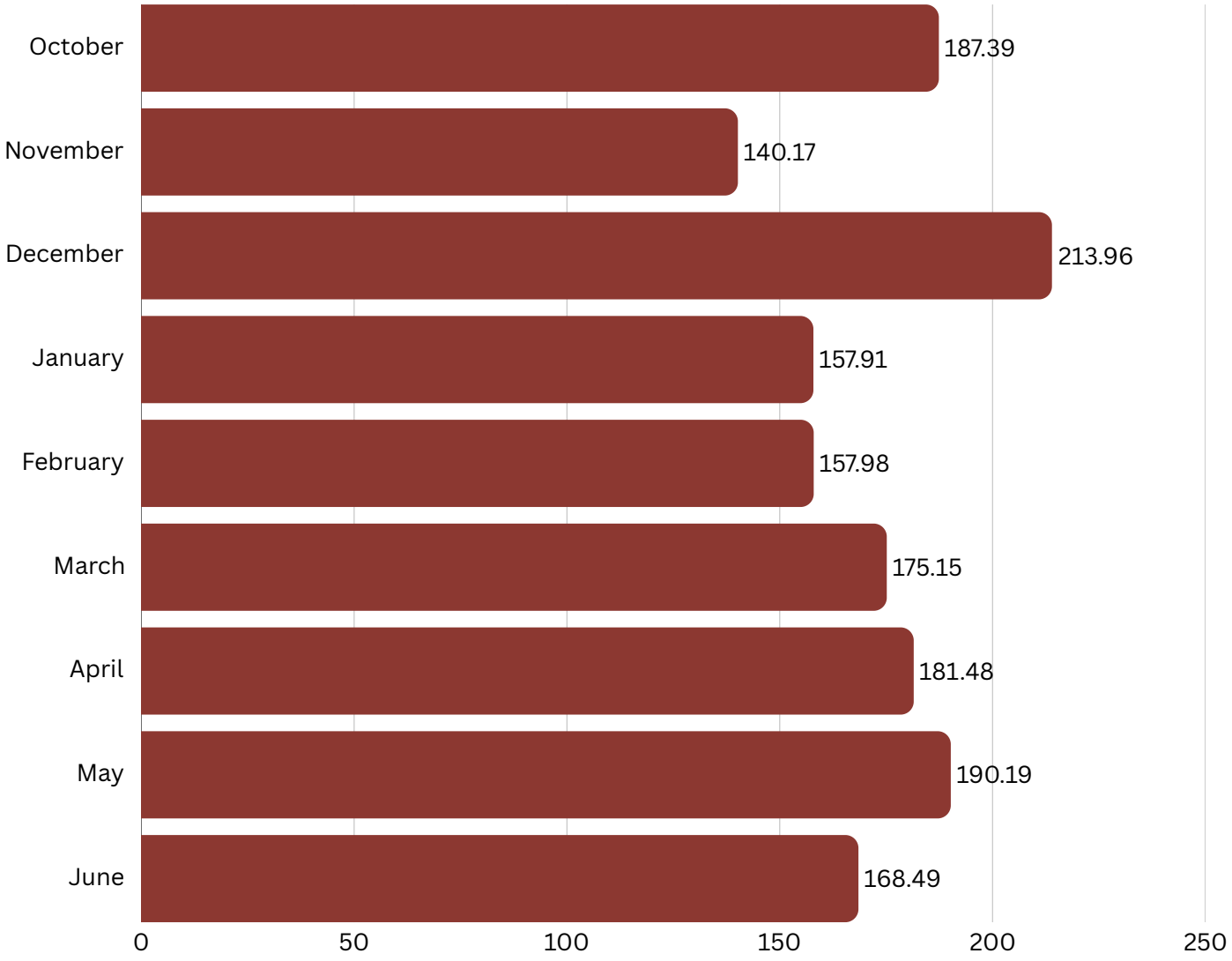
WATER & WASTEWATER DATA & USAGE SUMMARY

	YTD JUNE 2026		YTD JUNE 2025	
	WATER	WASTEWATER	WATER	WASTEWATER
RESIDENTIAL ACCOUNTS	8,696	8,219	8,389	7,989
RESIDENTIAL CONSUMPTION	494,344,462	459,147,091	477,285,752	445,063,418
AVG MONTHLY RESIDENTIAL CONSUMPTION	6,316	6,207	6,322	6,190
MULTIFAMILY ACCOUNTS	109	103	108	81
MULTIFAMILY CONSUMPTION	72,590,937	44,794,973	49,237,515	34,439,167
COMMERCIAL ACCOUNTS	198	209	180	208
COMMERCIAL CONSUMPTION	67,519,261	57,354,101	44,026,480	48,443,592
OTHER ACCOUNTS	213	4	210	4
OTHER* CONSUMPTION	114,617,921	23,831,098	103,323,637	3,490,900

- Other accounts include hydrants, industrial and irrigation.

SOLID WASTE DATA

RECYCLING TONNAGE



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 2026

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City of Melissa is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Jason Little
Jason Little, City Manager

Gail Dansby
Gail Dansby, Executive Director of Administrative Services

These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	March 31, 2026 Book Value	March 31, 2026 Market Value	June 30, 2026 Book Value	June 30, 2026 Market Value	Ave. Yield
DDA (1)	$ 2,067,062	$ 2,067,062	$ 2,117,017	$ 2,117,017	1.77%
MMA (2)	106,871,336	106,871,336	92,284,115	92,284,115	3.56%
Pools	17,210,917	17,210,917	17,366,662	17,366,662	3.62%
CDs/Securities	21,881,326	21,881,326	29,544,331	29,544,331	4.04%
Totals	**$ 148,030,641**	**$ 148,030,641**	**$ 141,312,125**	**$ 141,312,125**	3.64%

Average Yield - Current Quarter *(3)*	
Total Portfolio	3.64%
Rolling Three Month Treasury	3.73%
Rolling Six Month Treasury	3.71%
TexPool	3.65%

Fiscal Year-to-Date Average Yield *(4)*	
Total Portfolio	3.80%
Rolling Three Month Treasury	3.74%
Rolling Six Month Treasury	3.75%
TexPool	3.72%

Interest Earnings		
Quarterly Interest Income	$ 1,293,225	Approximate
Year-to-date Interest Income	$ 4,245,220	Approximate

(1) **DDA -** Demand Deposit Account

(2) MM**A -** Money Market Account

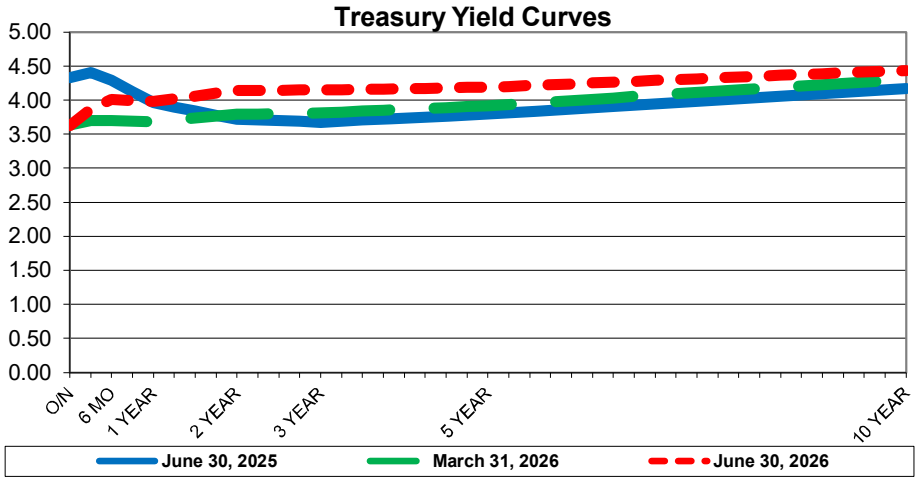
(3) **Average Yield - Current Quarter** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

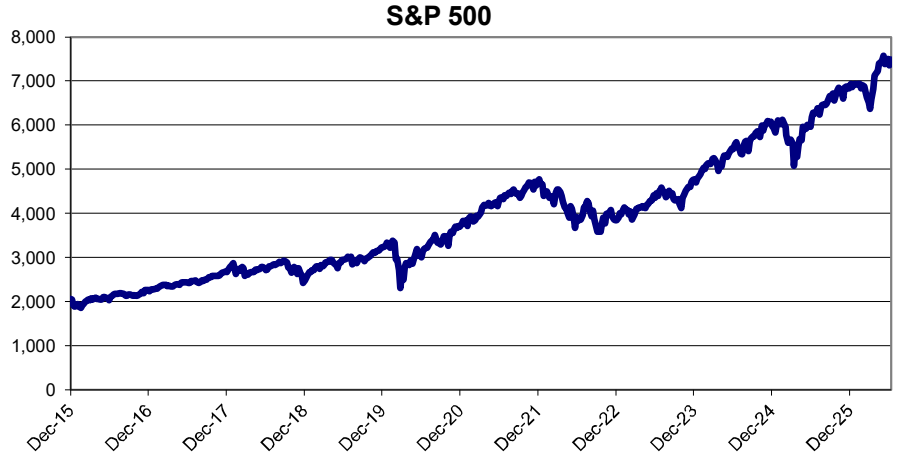
(4) **Fiscal Year-to-Date Average Yield -** calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

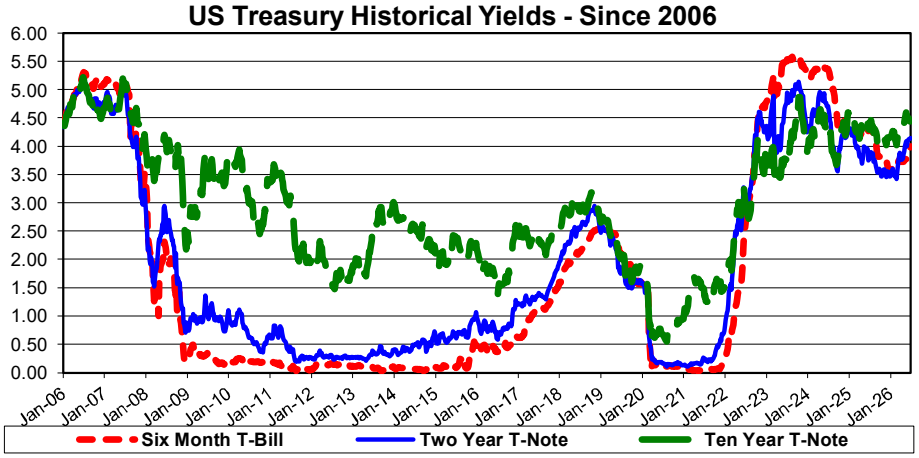
Economic Overview

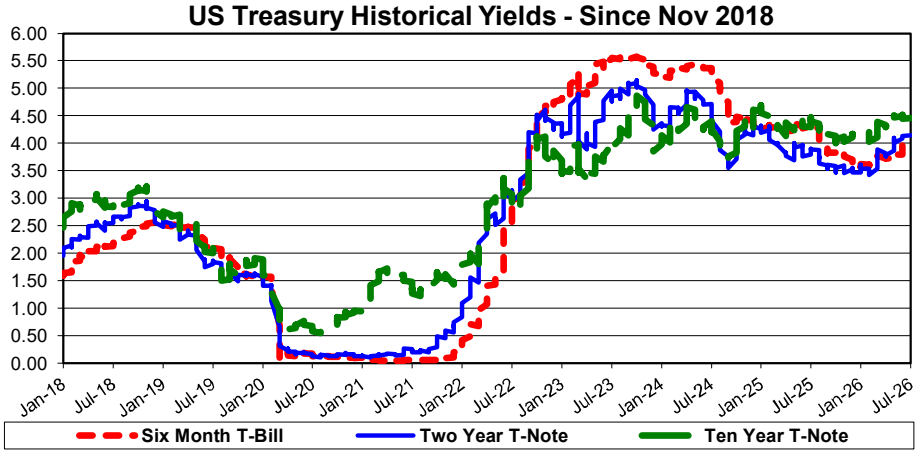
6/30/2026

The Federal Open Market Committee's (FOMC) on June 16th and 17th, hosted by new Chairman Kevin Warsh, resulted in no change to the Fed Funds 3.50% - 3.75% target (Effective Fed Funds trade +/-3.62%). First Quarter GDP expanded by 2.1%. June Non-Farm Payroll added 57k (below the +110k expectation). The three month average decreased to +111k. The S&P 500 Stock Index rretreated from 7,600 but remained +/-7,500. The positively sloped yield curve increased slighlty. Crude Oil declined to +/-$70. Inflation continues above the FOMC 2% target (Core CPI 2.9% and Core PCE +/-3.4%). The uncertain world events still influence volatility.









All numbers estimated and subject to change.

Investment Holdings

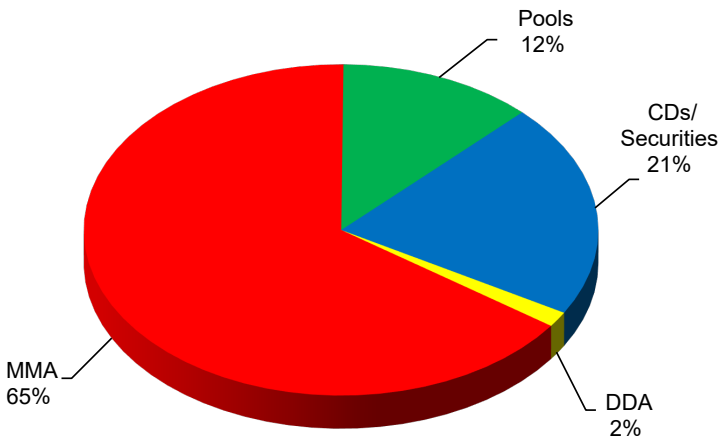
June 30, 2026

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Community National Bank DDA		0.75%	07/01/26	06/30/26	$ 52,183	$ 52,183	1	$ 52,183	1	0.75%
SouthState Bank AA Checking		0.00%	07/01/26	06/30/26	1,023,606	1,023,606	1	1,023,606	1	0.00%
SouthState Bank Interest Checking		3.56%	07/01/26	06/30/26	1,041,228	1,041,228	1	1,041,228	1	3.56%
SouthState Bank Financial MMA		3.56%	07/01/26	06/30/26	92,284,115	92,284,115	1	92,284,115	1	3.56%
TexStar LGIP	AAAm	3.62%	07/01/26	06/30/26	17,366,662	17,366,662	1	17,366,662	1	3.62%
SouthState Bank CD		4.35%	08/12/26	08/12/25	5,184,133	5,184,133	100.00	5,184,133	43	4.44%
SouthState Bank CD		4.00%	10/24/26	10/24/25	5,134,712	5,134,712	100.00	5,134,712	116	4.07%
Heritage Bank CD		3.70%	03/04/27	03/04/26	7,500,000	7,500,000	100.00	7,500,000	247	3.70%
BOKF CDARS		4.04%	03/18/27	03/20/25	2,106,261	2,106,261	100.00	2,106,261	261	4.12%
BOKF CDARS		4.04%	03/18/27	03/20/25	2,106,261	2,106,261	100.00	2,106,261	261	4.12%
East West Bank CD		3.94%	06/15/27	06/15/26	7,512,964	7,512,964	100.00	7,512,964	350	4.02%
					$ 141,312,125	**$ 141,312,125**		**$ 141,312,125**	**46**	**3.64%**
									(1)	**(2)**

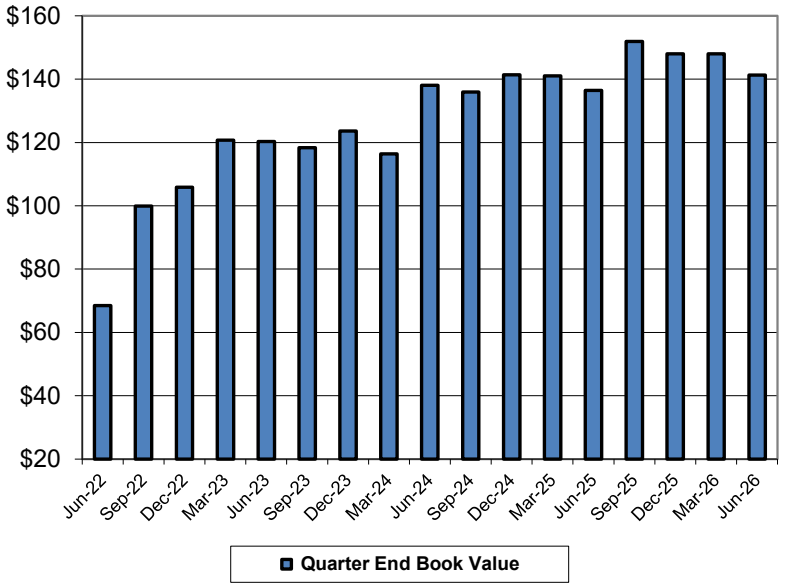
(1) Weighted average life - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools and money market funds.

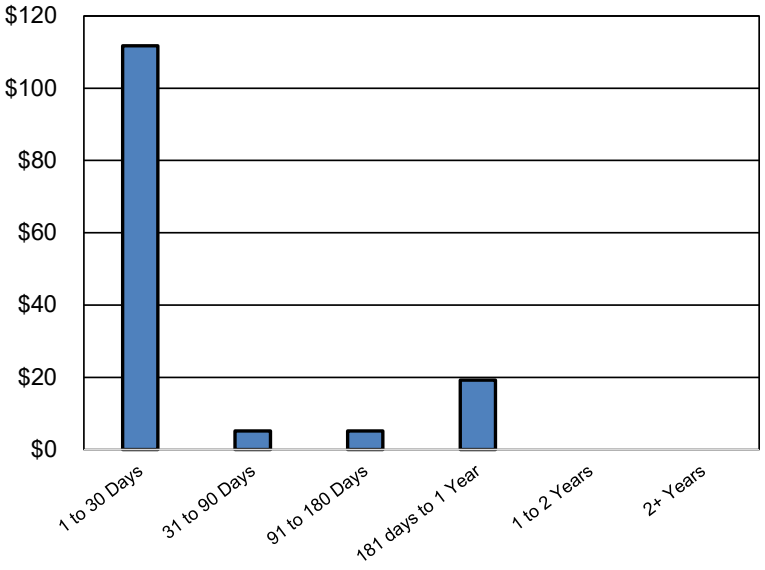
Portfolio Composition



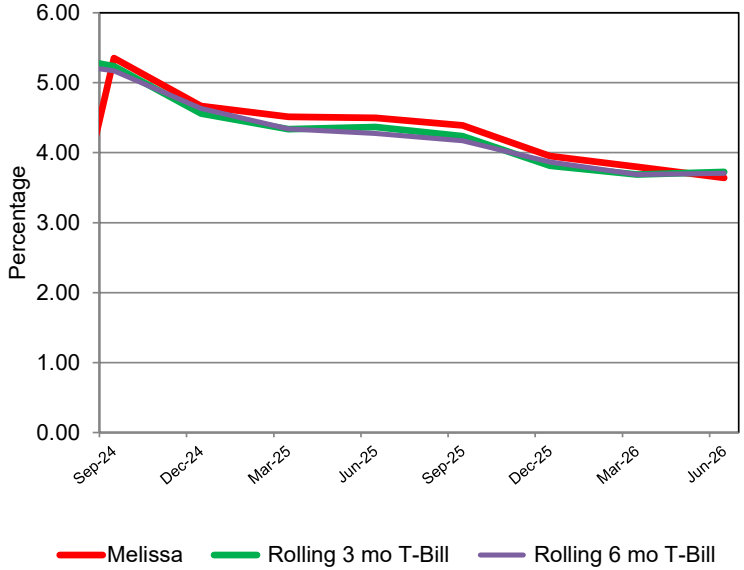
Total Portfolio (Millions)



Distribution by Maturity (Millions)

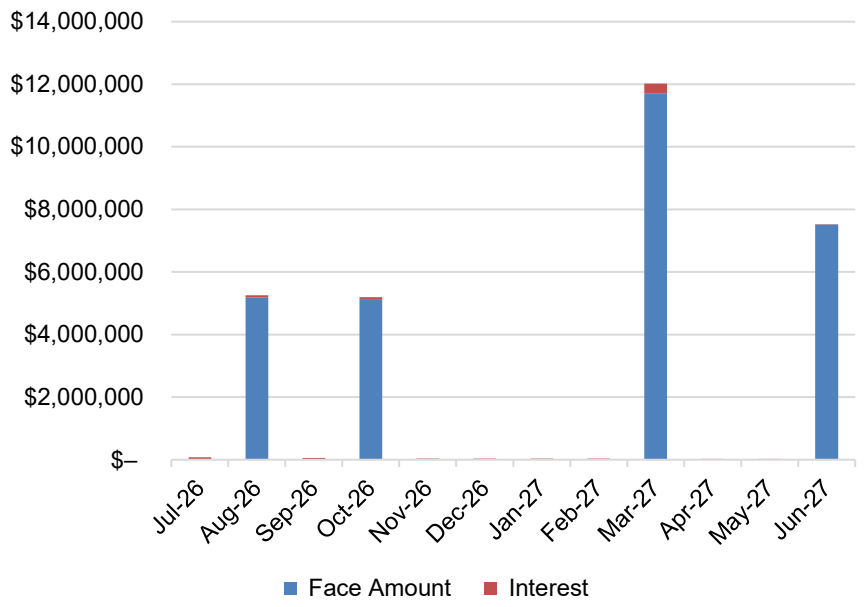


Total Portfolio Performance



Maturity Cash Flow - Next 12 Months

Month	Face Amount	Interest	Total
Jul-26	$ –	$ 75,067	$ 75,067
Aug-26	5,184,133	76,248	5,260,380
Sep-26	–	55,814	55,814
Oct-26	5,134,712	58,220	5,192,932
Nov-26	–	38,370	38,370
Dec-26	–	39,651	39,651
Jan-27	–	39,651	39,651
Feb-27	–	35,808	35,808
Mar-27	11,712,522	310,610	12,023,133
Apr-27	–	24,368	24,368
May-27	–	25,181	25,181
Jun-27	7,512,964	11,362	7,524,326
TOTALS	**$ 29,544,331**	**$ 790,350**	**$ 30,334,681**



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/26	Increases	Decreases	Book Value 06/30/26	Market Value 03/31/26	Change in Market Value	Market Value 06/30/26
Community National Bank DDA	0.75%		$ 46,742	$ 5,440	$ –	$ 52,183	$ 46,742	$ 5,440	$ 52,183
SouthState Bank AA Checking	0.00%		1,015,205	8,401	–	1,023,606	1,015,205	8,401	1,023,606
SouthState Bank Interest Checking	3.56%		1,005,114	36,114	–	1,041,228	1,005,114	36,114	1,041,228
SouthState Bank Financial MMA	3.56%		106,871,336	–	(14,587,221)	92,284,115	106,871,336	(14,587,221)	92,284,115
TexStar LGIP	3.62%		17,210,917	155,745	–	17,366,662	17,210,917	155,745	17,366,662
SouthState Bank CD	4.44%	08/12/26	5,127,705	56,428	–	5,184,133	5,127,705	56,428	5,184,133
SouthState Bank CD	4.07%	10/24/26	5,083,289	51,423	–	5,134,712	5,083,289	51,423	5,134,712
Heritage Bank CD	3.70%	03/04/27	7,500,000	–	–	7,500,000	7,500,000	–	7,500,000
BOKF CDARS	4.12%	03/18/27	2,085,166	21,095	–	2,106,261	2,085,166	21,095	2,106,261
BOKF CDARS	4.12%	03/18/27	2,085,166	21,095	–	2,106,261	2,085,166	21,095	2,106,261
East West Bank CD	4.02%	06/15/27	–	7,512,964	–	7,512,964	–	7,512,964	7,512,964
TOTAL / AVERAGE	**3.64%**		**$ 148,030,641**	**$ 7,868,705**	**$ (14,587,221)**	**$ 141,312,125**	**$ 148,030,641**	**$ (6,718,516)**	**$ 141,312,125**

Fund Allocation
June 30, 2026

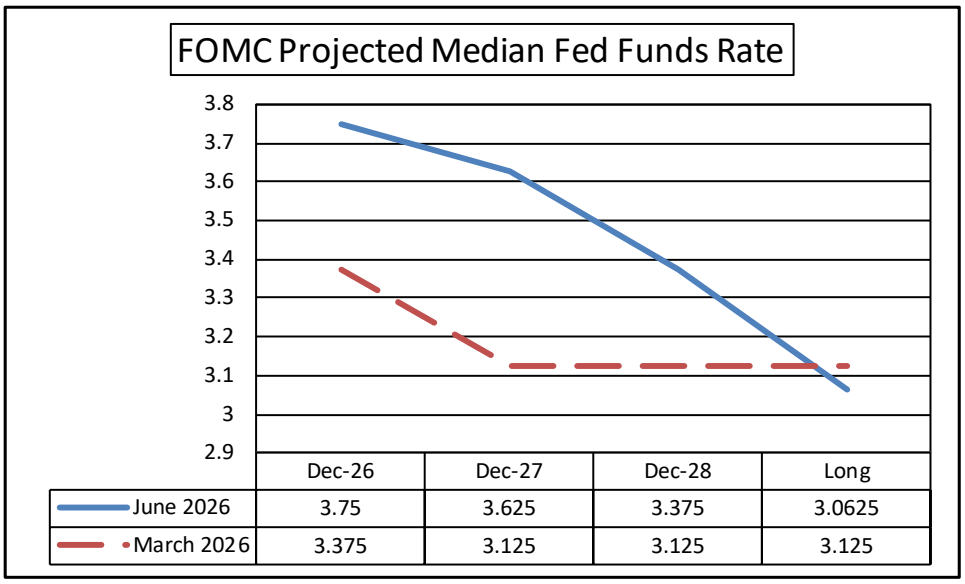
Book & Market Value	Total	General Fund	Utility Fund	W/WW Impact Fees	Transportation CIP	TIF #1	Police Drug & Seizure	Payroll	Park Development Fees
Community National Bank DDA	$ 52,183	$ 19,975	$ 32,208	$ –	$ –	$ –	$ –	$ –	$ –
SouthState Bank AA Checking	1,023,606	1,023,606	–	–	–	–	–	–	–
SouthState Bank Interest Checking	1,041,228	–	1,041,228	–	–	–	–	–	–
SouthState Bank Financial MMA	92,284,115	10,117,671	12,684,629	1,927,529	20,085,620	1,879,996	31,605	1,450,793	2,495,680
TexStar LGIP	17,366,662	4,950,755	–	9,007,257	–	–	–	–	1,242,284
08/12/26-SouthState Bank CD	5,184,133	2,592,066	–	–	–	–	–	–	2,592,066
10/24/26-SouthState Bank CD	5,134,712	–	5,134,712	–	–	–	–	–	–
03/04/27-Heritage Bank CD	7,500,000	5,000,000	–	–	–	–	–	–	–
03/18/27-BOKF CDARS	2,106,261	–	2,106,261	–	–	–	–	–	–
03/18/27-BOKF CDARS	2,106,261	2,106,261	–	–	–	–	–	–	–
06/15/27-East West Bank CD	7,512,964	2,504,321	–	–	–	–	–	–	–
Total	**$ 141,312,125**	**$ 28,314,656**	**$ 20,999,038**	**$ 10,934,786**	**$ 20,085,620**	**$ 1,879,996**	**$ 31,605**	**$ 1,450,793**	**$ 6,330,031**

Fund Allocation (continued)
June 30, 2026

Book & Market Value	Park CIP	Interest & Sinking	Fire Control Prevention & EMS	Facilities CIP	Crime Control & Prevention District	Road Escrow - Impact	Utility CIP	MCEDC 4B
Community National Bank DDA	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
SouthState Bank AA Checking	–	–	–	–	–	–	–	–
SouthState Bank Interest Checking	–	–	–	–	–	–	–	–
SouthState Bank Financial MMA	4,433,488	970,353	3,016,166	10,637,912	2,521,101	6,663,847	8,799,450	4,568,275
TexStar LGIP	–	–	–	–	–	2,166,366	–	–
08/12/26-SouthState Bank CD	–	–	–	–	–	–	–	–
10/24/26-SouthState Bank CD	–	–	–	–	–	–	–	–
03/04/27-Heritage Bank CD	–	–	–	–	–	2,500,000	–	–
03/18/27-BOKF CDARS	–	–	–	–	–	–	–	–
03/18/27-BOKF CDARS	–	–	–	–	–	–	–	–
06/15/27-East West Bank CD	–	–	–	–	–	2,504,321	–	2,504,321
Total	**$ 4,433,488**	**$ 970,353**	**$ 3,016,166**	**$ 10,637,912**	**$ 2,521,101**	**$ 13,834,534**	**$ 8,799,450**	**$ 7,072,596**

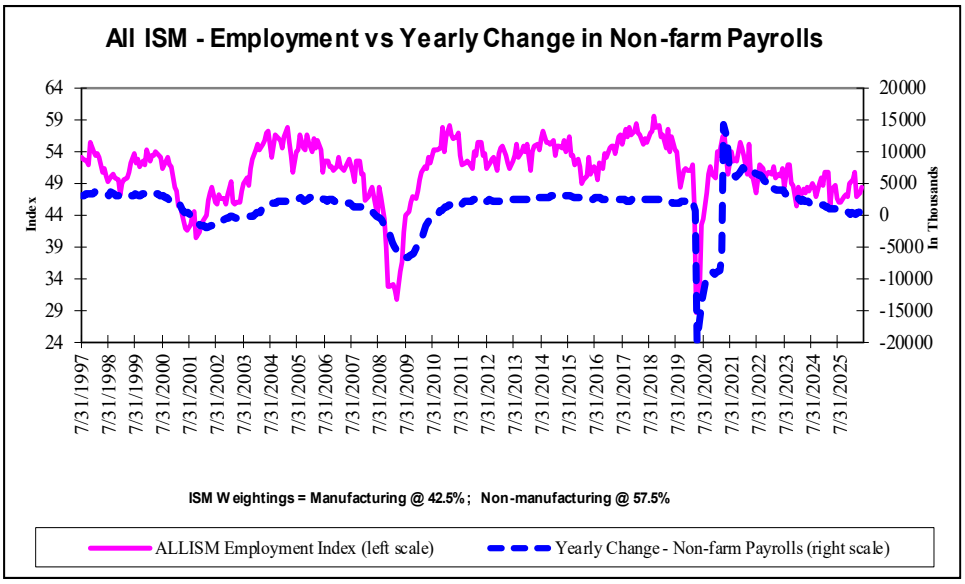
June 30, 2026

The June 16-17 Federal Open Market Committee (FOMC) meeting, the first with Kevin Warsh as Chairman, was termed as a "hawkish hold" as the policy statement dropped the easing bias. Holding policy rates steady and the removal of the easing bias were widely expected. It was considered hawkish as half of the Committee members providing rate projections in the "dot plot" penciled in higher policy rates by year end. The Fed had little choice but to hold the targeted fed funds range unchanged at 3.5% to 3.75% at this meeting with the labor market appearing to have steadied and the central bank's reluctance to adjust policy rates in response to temporary energy shocks. The combination of these factors has provided the Fed with plenty of flexibility to be patient.

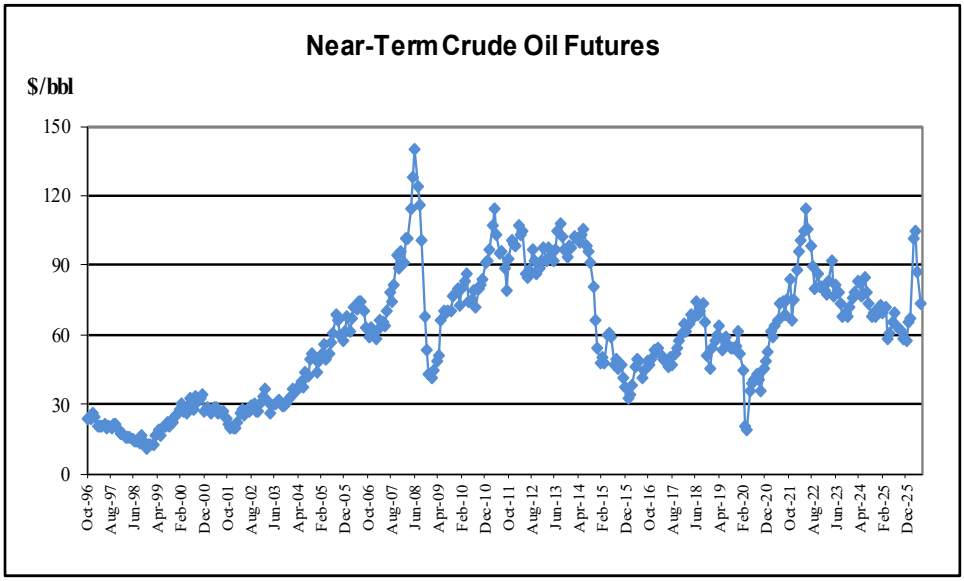


	Dec-26	Dec-27	Dec-28	Long
June 2026	3.75	3.625	3.375	3.0625
March 2026	3.375	3.125	3.125	3.125

The April job openings and May employment reports gave the Fed some welcome assurance to remain on hold with broad-based gains across industries. These reports are backward looking, however, while some leading labor market indicators may be seeing dark clouds on the horizon. Initial jobless claims, while still historically low, have started trending upward, a survey of small businesses is pointing to slower job creation ahead and the manufacturing and service sectors surveys by the Institute for Supply Management (ISM) have the employment component in negative territory. Spillover effects from the war may still hit the labor market with a lag. If the consumer slows it could weigh on hiring. Consumer spending, while resilient to date, could become tenuous with a rapidly falling savings rate and weak consumer confidence that eventually may lead to a downward shift in demand.



Inflation remains sticky. May's headline CPI and PPI hit their highest level in three years. Year-over-year rates rose to 4.2% for CPI and 6.5% for PPI. May's PCE Deflators, reportedly the Fed's preferred inflation gauge, posted year-over-year rates of 4.1% for the headline and 3.4% for core. The markets, however, reacted to some positives in the reports. One, the absence of significant energy-price passthrough into the core (excluding food & energy) measures. Two, some economists even ventured to say that the May's reports may be the peak in headline gauges as the price of oil declined sharply in June as Iran and the US agreed to a truce re-opening the Strait of Hormuz. Gasoline prices have started to follow oil prices lower.



In his first post-FOMC meeting press conference, Fed Chaiman Kevin Warsh struck a more hawkish tone than expected. He said the FOMC was "unambiguously and unanimously" resolved to fight inflation. This had the markets fully pricing in at least one rate hike by the end of the year. But, there are arguments for the Fed to remain patient and be on hold for longer than expected. One argument is for the Fed to await developments in the Middle East war. The Committee may also want to await results from the five task forces created by Warsh and composed of internal and external experts. The task forces are charge with assessing communications, the balance sheet, data sourcing, the inflation framework and Artificial Intelligence (AI) inplications for productivity and employment.

City of Melissa
Water/Wastewater Impact Fee Fund
Quarterly Financial Report
thru Jun 30, 2026

PRIOR YEAR - FY 25 Actual

		Water Impact Fees	Wastewater Impact Fees	W/WW Tap Fees
Beginning Fund Balance		**$ 3,455,437**	**$ 1,600,459**	**$ 2,440,689**
Revenues				
	Impact Fees	$ 1,017,096.00	$ 236,210.00	$ -
	Total Revenues	**$ 1,017,096**	**$ 236,210**	**$ -**
Expenditures				
	SH5 Utility Relocation CIP funding	$ 58,058		
	Impact Fee Study Update	$ 22,540		
	Impact Fee Study Update		$ 47,540	
	Melissa Family Dental - Ch 380 1-2023 Amended	$ 298,320		
	Total Expenses	$ 378,918	$ 47,540	$ -
Ending Fund Balance		**$ 4,093,615**	**$ 1,789,129**	**$ 2,440,689**

CURRENT YEAR - FY 26 YTD Actual

		Water Impact Fees	Wastewater Impact Fees	W/WW Tap Fees
Beginning Fund Balance		**$ 4,093,615**	**$ 1,789,129**	**$ 2,440,689**
Revenues				
	Impact Fees	806,926	132,900	
	Total Revenues	**$ 806,926**	**$ 132,900**	**$ -**
Expenditures				
	Total Expenses	$ -	$ -	$ -
Obligations				
	Milrany Ranch		$ 69,149	
	Legacy Highland Rd Project - Ch 380	$ 75,427		
	Cedarwood US 75 Water Line Bore - 2025 *	$ 150,000		
	Stiff Creek Lift Station Design/Upgrade and Expansion 2025 *		$ 1,500,000	
	Melissa 75 Holding/Telephone Rd Sanitary Sewer Trunk-2nd Ammendment		$ 198,061	
	Legacy Highland Rd Project			$ 230,000
	Total Obligations	**$ 225,427**	**$ 1,767,210**	**$ 230,000**
Debt Service				
	Total Debt Service	**$ -**	**$ -**	**$ -**
Ending Fund Balance		**$ 4,675,115**	**$ 154,818**	**$ 2,210,689**

* Project eligiable for reimbursement from future bond proceeds

City of Melissa
Melissa Park Development Fee Fund
Quarterly Financial Report
thru Jun 30, 2026

		PRIOR YEAR - FY 25 Actual	
Beginning Fund Balance		**$**	**14,994,148**
Revenues			
	Permits x $4000/fee	$	562
	Park Development Fees	$	2,245,500
	Park Dev Multifamily		
	Park Dev Fees Multifamily @ $2,000 each	$	-
	Total Revenues	**$**	**2,245,500**
Expenditures			
	ACE Sports - Z-Plex Video Boards x 3 - deposit payment	$	388,074
	U90C/Zplex PPP parking add'l funding	$	501,000
	Melissa Lake Parking and Ampitheater *	$	4,500,000
	Brookside/121 Trail sub surface crossing	$	2,000,000
	PROS Master Plan	$	350,000
	Symmetry Sports-ReTurf Z Plex	$	349,670
	Melissa Athletic Complex - Design	$	170,000
	Total Expenditures	**$**	**8,258,744**
Debt Service		**$**	**-**
	CO 2016 Land Acquisition - 100% Park Dev Supported	$	64,600
	CO 2018 Sports Park Phase 2 - Zadow upgrades/Field 3/Road	$	484,844
	Total Debt Service	**$**	**549,444**
Ending Fund Balance		**$**	**8,431,460**

CURRENT YEAR - FY 26 YTD Actual

Beginning Fund Balance		**$**	**8,431,460**
Revenues			
	Permits x $4000/fee	$	222
	Park Development Fees	$	888,000
	Park Dev Multifamily		
	Park Dev Fees Multifamily @ $2,000 each	$	-
	Total Revenues	**$**	**888,000**
Expenditures			
	Zadow Park Lighting Retrofit - Symmetry	$	269,300
	Zplex Phase 4 Closeout	$	208,698
	90 Acre Park Closeout (MLP)	$	429,806
	Total Expenditures	**$**	**907,805**
Obligations			
	Zadow Park Master Plan Design & Construction *	$	600,000
	Zadow Park renovation (inclusion of District 46 signage)	$	730,700
	Total Obligations	**$**	**1,330,700**
Debt Service			
	CO 2016 Land Acquisition - 100% Park Dev Supported FY 26	$	67,900
	CO 2018 Sports Park Phase 2 - Zadow upgrades/Field 3/Road FY 26	$	484,794
	Debt Service Quarry Park Construction-Initial Phase--TS FY 27	$	366,313
	CO 2016 Land Acq - Park debt FY 27	$	66,100
	CO 2018 Zplex Phase 2 - Park debt FY 27	$	156,794
	Total Debt Service	**$**	**1,141,900**
Ending Fund Balance		**$**	**5,939,055**

* Project eligible for reimbursment from future bond proceeds

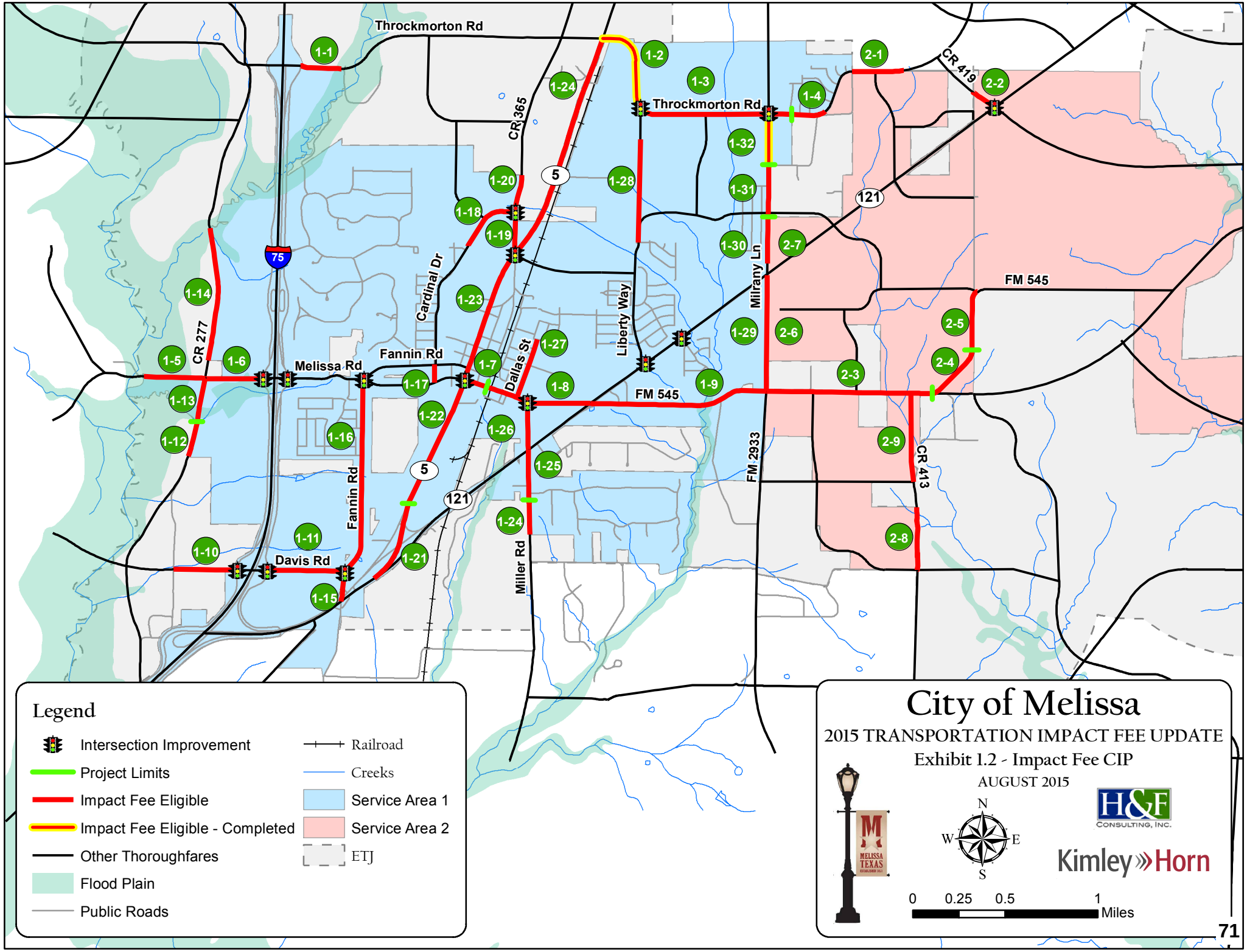
City of Melissa
Roadway Impact Fee Fund
Quarterly Financial Report
thru Jun 30, 2026

	PRIOR YEAR - FY 25 Actual		
	Service Area 1	**Service Area 2**	**Road Escrow**
Beginning Fund Balance	**$ 14,934,436**	**$ 2,256,322**	**$ 165,393**
Revenues			
Service Area SFR	240	323	
Service Area SFR	$ 604,255	$ 237,854	
Service Area Multifamily	5		
Service Area Multifamily	$ 9,826		
Service Area Commercial	$ 413,832	$ 30,069	
Total Revenues	**$ 1,027,913**	**$ 267,923**	**$ -**
Expenditures			
BT Cole Three - Dallas Street	$ 72,859		
Washington/121 median mod/Card Ext change order	$ 42,565		
WO #49 Impact Fee Study Update	$ 86,210		
Gateway Village Harrison Street - Hope Dev Partners 3	$ 317,986		
Hope Development Partners - 2nd Amendment	$ 1,220,739		
HEB	$ 2,150,000		
Washington/121 median mod/Card Ext change order	$ 138,435		
Telephone Road middle addition funding	$ 1,000,000		
Traffic Signals Melissa/75	$ 658,000		
Kroger	$ 180,652		
121 Median & portion of Throckmorton Illumination *	$ 1,481,701	$ 277,479	
Traffic signals FM545/Greer-SA2		$ 299,476	
2021 CO High Sch collection rd Phase in GF-SA2		$ 150,000	
Total Expenditures	**$ 7,349,147**	**$ 726,955**	**$ -**
Ending Fund Balance	**$ 8,613,203**	**$ 1,797,290**	**$ 165,393**

CURRENT YEAR - FY 26 YTD Actual

	Service Area 1	**Service Area 2**	**Road Escrow**
Beginning Fund Balance	**$ 8,613,203**	**$ 1,797,290**	**$ 165,393**
Revenues			
Service Area SFR	35	43	
Service Area SFR	$ 124,860	$ 162,346	
Service Area Multifamily			
Service Area Multifamily			
Service Area Commercial	$ 500,005	$ 25,174	
Total Revenues	**$ 624,865**	**$ 187,520**	**$ -**
Expenditures			
Hope Development Partners - 2nd Amendment	$ 229,261		
Total Expenditures	**$ 229,261**	**$ -**	**$ -**
Obligations			
Legacy/Collier - obligation	$ 100,000		
Hope Partners 3 LLC - obligation	$ 450,000		
Legacy Highland Rd Project	$ 113,400		
CR 364/Collin County 2/14/24	$ 360,331		
Maldonado Burkett- Median lighting (121 & Throckmorton)	$ 36,898		
SH5 Water line lowering	$ 35,000		
Traffic Signals Melissa/Fannin Rd *	$ 542,524		
AJW Welker Realty / Everbloom	$ 350,000		
QT refund	$ 29,231		
East Melissa LLC *		$ 331,659	
PSB TxDot Median Opening		$ 150,000	
Total Obligations	**$ 2,017,383**	**$ 481,659**	**$ -**
Debt Service			
DEBT SERVICE 2026 Bond-Telephone Rd-middle -- $1,1M	77000		
DEBT SERIVCE 2026 Roundabout Design - - $900K	63000		
Total Debt Service	**$ 140,000.00**	**$ -**	**$ -**
Ending Fund Balance	**$ 6,851,423**	**$ 1,503,151**	**$ 165,393**

* Project eligible for reimbursment from future bond proceeds


Throckmorton Rd
CR 365
CR 419
Throckmorton Rd
121
5
75
FM 545
Millrany Ln
Liberty Way
Cardinal Dr
Dallas St
CR 277
Melissa Rd
Fannin Rd
FM 545
FM 2933
CR 413
Fannin Rd
Davis Rd
Miller Rd
1-1
1-2
1-3
1-4
1-5
1-6
1-7
1-8
1-9
1-10
1-11
1-12
1-13
1-14
1-15
1-16
1-17
1-18
1-19
1-20
1-21
1-22
1-23
1-24
1-25
1-26
1-27
1-28
1-29
1-30
1-31
1-32
2-1
2-2
2-3
2-4
2-5
2-6
2-7
2-8
2-9
Legend
Intersection Improvement
Project Limits
Impact Fee Eligible
Impact Fee Eligible - Completed
Other Thoroughfares
Flood Plain
Public Roads
Railroad
Creeks
Service Area 1
Service Area 2
ETJ
City of Melissa
2015 TRANSPORTATION IMPACT FEE UPDATE
Exhibit 1.2 - Impact Fee CIP
AUGUST 2015
N
W
E
S
0
0.25
0.5
1
Miles
H&F CONSULTING, INC.
Kimley»Horn

Item 5.G

City of Melissa City Council Regular Meeting Staff Report

Date August 25, 2026

Subject Consider a Resolution setting a public hearing for the creation of a Municipal Drainage Utility System. (TS)

Submitted by Terrell Smith, Assistant City Manager

Summary of Subject

Pursuant Chapter 552, Subchapter C of the Texas Local Government Codes, municipalities have ability to establish a municipal drainage utility system, or drainage fund. The Drainage Fund allows for the continued investment in the city's drainage infrastructure. The establishment of this fund is being proposed to help support the city's long-term infrastructure planning and ensure its drainage infrastructure supports and sustains the growth of the community.

As part of the establishment of the drainage fund, the city must hold a public hearing and issue three public notices. By adopting this resolution, the Council will hold its public hearing at 6:30pm on October 13, 2026.

Staff Recommendation

Consider a Resolution setting a public hearing for the establishment of a municipal drainage utility system.

Supporting Documents

1. Setting Public Hearing for Municipal Drainage Utility System.doc
2. Notice of Public Hearing - Municipal Drainage Utility System Ordinance Adoption(5266943.1).doc

CITY OF MELISSA, TEXAS RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, CALLING A PUBLIC HEARING ON OCTOBER 13, 2026 AT 6:30 P.M. AT CITY OF MELISSA CITY HALL, 3411 BARKER AVENUE, MELISSA, TEXAS, FOR THE DISCUSSION OF THE ESTABLISHMENT OF THE MUNICIPAL DRAINAGE UTILITY SYSTEM FOR THE CITY OF MELISSA, TEXAS.

WHEREAS, Section 552.045(c) of the Texas Local Government Code requires the City Council of the City of Melissa, Texas (the "City Council") to schedule a public hearing to be called to discuss the Municipal Drainage Utility System.

WHEREAS, the City of Melissa, Texas ("Melissa") desires to call this public hearing during the October 13, 2026 City Council Meeting at the Melissa City Hall, 3411 Barker Avenue, Melissa, Texas.

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

SECTION 1: Preamble Incorporated. That all matters stated in the preamble of this Resolution are true and correct and are hereby incorporated into the body of this Resolution as if copied in their entirety.

SECTION 2: Public Hearing on Tax Rate. That the City Council hereby calls this public hearing for October 13, 2026, at 6:30 p.m., at City of Melissa City Hall, 3411 Barker Avenue, for the discussion of the establishment of the Municipal Drainage Utility System.

SECTION 3: Effective Date. This Resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS on this _____ day of _____, 2026.

_____
JAY NORTHCUT, Mayor

ATTEST TO:

_____

HOPE BASKIN, City Secretary

NOTICE OF PUBLIC HEARING
MELISSA CITY COUNCIL

Notice is hereby given that the City Council of the City of Melissa, Texas, will conduct a public hearing in accordance with Section 552.045(c) of the Texas Local Government Code regarding the City Council's consideration of adoption of an ordinance establishing a Municipal Drainage Utility System in accordance with the Municipal Drainage Utility Systems Act, codified at Chapter 552, Subchapter C of the Texas Local Government Code. The public hearing will be conducted at 6:30 p.m. during the regular City Council meeting on Tuesday, October 13, 2026, in the Council Chambers at the Melissa City Hall, 3411 Barker Avenue, Melissa, Texas 75454. This notice is being published three times before the date of the public hearing, with the first publication occurring on or before the 30th day before the date of the public hearing. The City Council may vote to adopt the proposed Ordinance immediately following the public hearing.

The entire proposed ordinance to establish the municipal drainage utility system in the City of Melissa is provided below in accordance with Section 552.045(c) of the Texas Local Government Code:

CITY OF MELISSA, TEXAS ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF MELISSA, TEXAS, ORDINANCE NO. 92-04, AS AMENDED, CHAPTER 11 (UTILITIES & SOLID WASTE) TO ADD ARTICLE 11.4000 (MUNICIPAL DRAINAGE UTILITY SYSTEM); ESTABLISHING A MUNICIPAL DRAINAGE UTILITY SYSTEM IN THE CITY OF MELISSA PURSUANT TO CHAPTER 552, SUBCHAPTER C OF THE TEXAS LOCAL GOVERNMENT CODE; DECLARING DRAINAGE OF THE CITY TO BE A PUBLIC UTILITY; PROVIDING FOR DRAINAGE SERVICE, BILLING PROCEDURES, EXEMPTIONS, DRAINAGE CHARGES, APPEALS AND ENFORCEMENT; PROVIDING A PENALTY CLAUSE WITH A MAXIMUM FINE OF $500, PROVIDING A SAVINGS/REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING

AN EFFECTIVE DATE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, the Municipal Drainage Utility Systems Act, codified at Chapter 552, Subchapter C of the Texas Local Government Code (the "Act"), authorizes the City Council of the City of Melissa, Texas ("City Council") to establish a municipal drainage utility system in the City of Melissa, Texas ("Melissa" or "City"); and

WHEREAS, the City Council desires to establish a municipal drainage utility system in Melissa by amending the Code of Ordinances, Ordinance No. 92-04, as amended ("Code of Ordinances"), Chapter 11 (Utilities & Solid Waste), in order to protect the public health and safety from loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from nonpoint source runoff within the boundaries of the established service area; and

WHEREAS, the City Council finds and declares that drainage of the City is a public utility in accordance with the Act; and

WHEREAS, the City Council directs City staff to offer drainage service on nondiscriminatory, reasonable and equitable terms in accordance with the Act; and

WHEREAS, to fund the cost of such service, the City Council intends to establish in the future a schedule of drainage charges to be assessed on all benefitted property in the proposed service area, which includes the entire territory of the City subject to charges under this Ordinance; and

WHEREAS, the City Council finds that the City will provide drainage service for all benefitted property in the proposed service area on payment of drainage charges, except benefitted property exempted under the Act or pursuant to this Ordinance or other law of the City; and

WHEREAS, the City Council finds that the City has complied with all legal requirements applicable to notice and public hearings as set forth in the Act and other applicable law.

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

SECTION 1: Findings Incorporated. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2: Amendment to the Code of Ordinances, Chapter 11 (Utilities & Solid Waste) to Add Article 11.4000 (Municipal Drainage Utility System). The Code of Ordinances, Chapter 11 (Utilities & Solid Waste) is amended to add Article 11.4000 (Municipal Drainage Utility System) as follows:

"ARTICLE 11.4000 – MUNICIPAL DRAINAGE UTILITY SYSTEM

§ 11.4001 – Municipal Drainage Utility System Established; Definitions

The Municipal Drainage Utility Systems Act, Chapter 552, Subchapter C of the Texas Local Government Code, as it exists or may be amended (and any successor statute thereto) (the "Act"), is hereby adopted and shall be fully implemented as provided by the Act and the City Council. The drainage of the City is hereby found to be a public utility within the meaning of the Act. Terms not otherwise defined herein shall be read and construed in accordance with the definitions contained in the Act.

§ 11.4002 – Drainage Service Provided

The City will provide storm water drainage for all benefitted property within its boundaries upon payment of the determined drainage charges, as defined in the Act, and excluding property exempt under the Act and certain benefitted property exempted pursuant to this Article. The fees, assessments and charges are based on nondiscriminatory, reasonable and equitable terms. The drainage charges established hereunder shall be for all non-exempt benefitted property as defined in the Act within the City drainage system. Existing drainage facilities, materials and supplies are incorporated into the drainage utility system.

§ 11.4003 – Billing for Drainage Service

The City is hereby authorized to bill the drainage charges incurred as a result of the adoption of the Act and this Article and through the establishment of

the municipal drainage utility system. The drainage charges shall be separately identified from other public utility billings. Income from the drainage charges may only be expended for the costs of service as defined by the Act.

§ 11.4004 – Authority to Levy Drainage Charges; Findings

The City may levy a schedule of drainage charges upon satisfaction of the procedural requirements provided in the Act and this Article. Prior to the levy of any drainage charges, the City Council shall conduct a public hearing on the drainage charges pursuant to the Act. Prior to adoption of this Article, the City Council found and determined:

(1) The City will establish a schedule of drainage charges against all benefitted property in the proposed area which includes the entire City subject to the charges under the Act;

(2) The City will provide drainage for all benefitted property in the proposed service area on payment of the drainage charges, except benefitted property exempt under the Act; and

(3) The City will offer drainage service on nondiscriminatory, reasonable and equitable terms.

§ 11.4005 – Exemptions

The City is authorized to exempt certain property from drainage charges in accordance with the Act and the establishment of its municipal drainage utility system. Any exemptions to the drainage charges established herein other than the exemptions required by the Act shall be set forth in the drainage charge schedule.

§ 11.4006 – Charges

(a) The City Council shall, following the adoption of this Article, and from time to time, establish by ordinance a drainage charge schedule for charges which shall be collected through the City's bill for public utilities pursuant to the Act and other applicable law. There shall be a drainage charge on each monthly public utility statement for the City drainage system as set forth in the drainage charge schedule. The City

Manager or his/her designee is authorized to collect such charges in a manner consistent with the City Charter, the Act and this Article. The drainage charges shall be a separate line item on the public utility statement and shall be clearly identified as a separate charge. Except as otherwise provided herein, the billing, charges and collection procedures shall be consistent with City collection procedures for water and sewer services provided by the City.

(b) The drainage charges established pursuant to this Article will apply to the accounts maintained by the City for public utility services.

(c) All billings, credits, exemptions and other procedures relating to drainage charges established pursuant to this Article shall be subject to the provisions of the Act and other applicable law.

(d) A deposit for the drainage services as a precondition to accepting surface flow from benefitted property into the City drainage utility system shall not be required. All benefitted property of the City will be provided with drainage utility system service on timely payment of drainage charges established herein.

§ 11.4007 – Appeals

(a) Billing and payment disputes for administrative issues relating to the drainage charges assessed in connection with this Article shall be subject to appeals procedures used by the City for other public utility billing disputes. A person or entity that owns or occupies a benefitted property may appeal the drainage charges established hereunder pursuant to the procedure set forth in this section.

(b) Appeals shall be directed to the City Engineer for evaluation and determination. An appeal shall be in writing and submitted to the City Engineer within thirty (30) days after issuance of the public utility billing statement containing the matter disputed and must specify in detail the grounds for the appeal. During all periods of appeal, the person or entity that owns or occupies the benefitted property and/or the account holder shall be responsible for payment of the charges in full.

(c) The City Engineer shall render a written decision on such appeals within thirty (30) days after receiving a timely written notice of appeal from the person or entity that owns or occupies the benefitted property. The City Engineer shall deliver a copy of the appeal decision to the person or entity that owns or occupies the benefitted property by U.S. mail to the address of the account holder according to the most recent records in the possession of the City.

(d) An appellant who disagrees with the decision of the City Engineer may appeal such decision to the City Manager in writing within ten (10) days after receipt of the decision of the City Engineer. The City Manager shall render a written decision within thirty (30) days after receipt of a timely appeal. The decision of the City Manager shall be final.

§ 11.4008 – Penalties; Enforcement

Failure to pay the drainage charges assessed in connection with this Article when due shall subject the person or entity that owns or occupies the benefitted property and/or the account holder to discontinuance of any public utility services provided by the City, in accordance with the procedures adopted by the City for discontinuance of any City public utility service, including water or sewer service and other applicable laws, in addition to any other remedies or penalties provided at law."

SECTION 3: Saving/Repealing. The Code of Ordinances shall remain in full force and effect, save and except as amended by this or any other ordinance. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict, but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 4: Severability. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional and/or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause and phrase thereof

regardless of whether any one or more sections, subsections, sentences, clauses and/or phrases may be declared unconstitutional and/or invalid.

SECTION 5: Penalty. Any person, firm, entity or corporation violating any provision of this Ordinance, as it exists or may be amended, shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be fined in an amount not exceeding FIVE HUNDRED AND 00/100 DOLLARS ($500.00) or the highest amount allowed under applicable law. A violation of any provision of this Ordinance shall constitute a separate violation for each calendar day in which it occurs. Allegation and evidence of a culpable mental state is not required for proof of any offense defined in this Ordinance. The penal provisions imposed under this Ordinance shall not preclude Melissa from filing suit to enjoin the violation. Melissa retains all legal rights and remedies available to it pursuant to local, state and federal law.

SECTION 6: Effective Date. This Ordinance shall become effective from and after its adoption and publication as required by the City Charter and by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS on this ___ day of _____, 2026.

_____
Jay Northcut, Mayor

ATTESTED TO AND CORRECTLY RECORDED:

_____
Hope Baskin, City Secretary

Dates of Publication: _____, *Anna-Melissa Tribune*

City of Melissa City Council Regular Meeting Staff Report

Date August 25, 2026

Subject Consider ratification of the City's engagement legal services related to the Vineyard Hills Public Improvement District and authorize continued engagement as necessary, with all associated costs to be reimbursed by the developer. (JL)

Submitted by Jason Little, City Manager

Summary of Subject

Given the conflict preventing the City's regular City Attorney and law firm from formally representing Melissa in this matter, outside litigation counsel was engaged to represent the City's interests.

The engagement was necessary to assist the City with legal matters associated with the PID and related development activities.

Budget Impact

All legal fees and expenses associated with this engagement will be reimbursed by the developer pursuant to the applicable development/PID agreements. Accordingly, the engagement is not anticipated to result in a net cost to the City.

Staff Recommendation

Staff recommends that the City Council ratify the engagement of legal counsel for legal services related to the Vineyard Hills Public Improvement District (PID).

Supporting Documents

1. winstead engagement on PID.pdf

WINSTEAD Atlanta | Austin | Charlotte | Dallas | Fort Worth | Houston | Nashville | New York | San Antonio | The Woodlands

2728 N. Harwood Street
Suite 500
Dallas, TX 75201

214.745.5400 OFFICE
214.745.5390 FAX
winstead.com

Ross Martin
direct dial: 214-745-5353

August 12, 2026

Mr. Jason Little
City Manager
City of Melissa
3411 Barker Avenue
Melissa, TX 75454

Re: Engagement of Winstead PC ("Firm") by City of Melissa ("You" or "you") as special counsel for the Vineyard Hills project.

Dear Mr. Little,

Thank you for considering the Firm to represent City of Melissa as special counsel to the City in your matter related to a boundary lawsuit with the City of McKinney regarding the Vineyard Hills project ("Project") and related public improvement district. We appreciate this opportunity. This letter and the attached Standard Terms of Engagement for Legal Services ("Standard Terms of Engagement") (collectively, the "Engagement Letter") form the agreement under which the Firm will represent you. Please be aware that we may not commence work on your behalf until this letter has been signed and returned to us, so please respond promptly.

Specifically, the following terms and provisions apply to this engagement:

1. As explained in the attached Standard Terms of Engagement, you agree to pay the Firm's invoices for legal services and expenses. Legal fees will be charged on an hourly basis. I will be the primary attorney on the matter, and my hourly rate is $795 per hour. Our fees and costs for the services provided under this agreement will be billed on an hourly basis and such fees and costs will be billed monthly. The fees and costs relating to any of these matters are not predictable. However, we agree to limit our fees to $50,000 without further Council approval and reserve the right to suspend work on the matter once that limit is reached until receipt of further authorization by the City. If the Firm is asked to render a written opinion, a separate opinion fee will be required and will be negotiated prior to the rendering of an opinion.

2. The Firm will provide you an invoice for services, expenses and charges on the earlier to occur of the conclusion of this engagement or as soon as possible following the end of each calendar month until such time as this engagement is completed. The Firm will endeavor to deliver these invoices to you on or about the 30th day of the month following the month in which

the services were rendered and expenses or charges incurred. Payment of the amount reflected on each invoice is due upon receipt of invoice.

3. The scope of the Firm's engagement by you is limited to matters undertaken solely as special counsel to the City for the Project. Therefore, the Firm is not responsible for matters unrelated to this scope. However, should you desire to enlarge the scope of this engagement, we welcome the opportunity to discuss possible additional representation with you.

4. You are advised that the Firm represents other public entities as general counsel and bond counsel, including special districts located throughout the State of Texas, and that the Firm represents other participants in the public finance and development industry (e.g. developers, builders, underwriters, credit enhancers, and trustees) in transactions not involving City of Melissa, including other transactions and developments within Texas and you consent to such representations. Additionally, the Firm currently represents developers, builders, landowners and other entities in matters adverse to the City of Melissa and you consent to any such adverse current and future representations that are not directly related to the Project.

Again, thank you for allowing the Firm to be of service to you. If you approve this Engagement Letter, please sign it and return the original signed letter to me. I have enclosed a copy of this letter for your files.

Very truly yours,

WINSTEAD PC

By: Ross S. Martin
Ross S. Martin, Shareholder

AGREED TO AND ACCEPTED:

CITY OF MELISSA

By: _____

Name: Jason Little

Title: City Manager

Date: 8/13/2026

WINSTEAD PC

Standard Terms of Engagement for Legal Services - General ("Standard Terms of Engagement")

This Standard Terms of Engagement contains the standard terms of our engagement as your lawyers. Unless modified in writing by mutual agreement, these terms will be an integral part of the letter to which this Standard Terms of Engagement is attached (collectively, "Engagement Letter"). Therefore, we ask that you review this Standard Terms of Engagement carefully and contact us promptly if you have any questions. We suggest that you retain a copy of the Engagement Letter in your file.

Scope of Winstead's Representation. The legal services that we will provide are limited to the matters described in the accompanying letter. Unless set forth in the attached letter, our engagement does not include any advice or other legal services relating to federal or state securities laws, including appearing or practicing before the U.S. Securities and Exchange Commission (SEC), or your disclosure obligations under such laws, and we understand that you will not, without our prior written consent, include documents or information we provide to you in any filings with federal or state securities regulators, including the SEC. It is our policy that the person or entity that we represent is the person or entity that is identified in our Engagement Letter and does not include any affiliates of such person or entity, unless specifically referred to in the accompanying letter. It is also our policy that the attorney-client relationship will terminate upon our completion of any services that you have retained us to perform.

Approach to Providing Services. Each client is served by a client relationship attorney (the "Client Relationship Attorney"). The Client Relationship Attorney should be someone in whom you have confidence and with whom you enjoy working; you should assume the attorney sending the Engagement Letter is the designated Client Relationship Attorney. You are free to request a change of Client Relationship Attorney at any time. Subject to the supervisory role of the Client Relationship Attorney, the work or parts of it may be performed by other lawyers and support personnel in the Firm. If you are concerned about our performance or the performance of the Client Relationship Attorney, you may call our Chief Executive Officer at 214.745.5400, or our Executive Director at 214.745.5400.

Additional Services We Provide. We frequently offer business services, many at no charge, that provide significant value to our clients and friends. For example, we provide advisories and seminars that offer timely insights and legislative updates on a variety of issues. Information received through these advisories and seminars is not to be considered as legal advice for any particular legal matter.

Services We Expressly Do Not Provide. Members of our law Firm are from time to time serving in elected or appointed positions with various governmental or regulatory bodies. Members of our law Firm must discharge those duties without regard to their employment or association with the Firm, and more importantly, it would be a prohibited conflict of interest for them to give any special consideration, benefit, or access to you or any other client of the Firm. Accordingly, you acknowledge and conFirm that this engagement of the Firm is not in consideration for or in contemplation of any expected benefit to be derived from the activities of any elected or appointed official.

You also understand that, in the course of such public service, these persons may be called upon to take positions, cast votes, adopt rules and regulations or otherwise act in a manner adverse to your business interests. You acknowledge that such events are not conflicts of interest or ethical violations of the Firm's duties to you as a client. You further acknowledge that in the course of the Firm's engagement by other clients expressly for lobbying any governmental body at the federal, state, county, or municipal level, we could be advocating positions or attempting to achieve outcomes or results for such clients that adversely affect you or your industry (often without our knowledge). You agree that the engagement of the Firm for the legal services contemplated herein does not, in and of itself, create a conflict of interest or ethical violation by virtue of our lobbying activities. We further do not undertake or assume any duty to advise you as to what clients or positions we have undertaken in a lobbying role which would be detrimental to you or your industry.

Potential Conflicts. Because we represent many other companies and individuals, it is possible that during the time that we are representing you, some of our present or future clients may become involved in transactions or disputes with you. You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse. We agree, however, that your prospective consent to conflicting representation shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used by such client to your material disadvantage.

Advice about Possible Outcomes. We may express opinions or beliefs concerning this matter or various courses of action and the results that might be anticipated. Any such statement made by any lawyer of our Firm is intended to be

an expression of opinion only, based on information available to us at the time, and should not be construed as a promise or guarantee.

Client Responsibilities. You agree to pay our invoice for services and expenses as explained below. In addition, you agree to be candid and cooperative with us and to keep us informed with complete and accurate factual information and documents relevant to our representation.

Fees. We will bill you on a regular basis, normally each month, for fees, disbursements and charges. You agree to make payment net 30 days of receipt of invoice unless other billing arrangements have been agreed to in writing. Moreover, you agree that your obligation to pay our fees is not dependent on the outcome of our legal representation.

The principal basis for computing our fees will be the amount of time spent on the matter by various lawyers and legal assistants multiplied by their individual hourly billing rates. Our billing rates are subject to change from time to time. We are often asked to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. If we provide an estimate, it should not be construed as a maximum or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated. In undertaking representation of a client on a contingent fee basis, any such contingent fee arrangement must be reflected in a written contingent fee agreement.

If you disagree with the fees or expenses on any invoice, please contact the Client Relationship Attorney or our Executive Director immediately. If you do not report a concern about the fees to us within 60 days after receipt of an invoice, then it will be presumed that the fees were reasonable and the services provided were necessary. We will give you prompt notice if your account becomes delinquent more than 30 days beyond the date of the invoice, and you agree to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, we may terminate the representation. In litigation matters, our ability to terminate or withdraw from the case may be subject to court approval. We reserve the right to pursue collection of any unpaid balance of your account. You agree to pay the costs of collecting the debt, including court costs, filing fees and a reasonable attorney's fee.

Disbursements and Charges. We will charge our clients not only for legal services rendered, but also for other ancillary services provided. Examples include charges at cost for in-house messenger deliveries, complex or unusual duplication, and postage.

We may disburse funds on your behalf for filing fees, overnight deliveries, necessary travel and other miscellaneous items as required to complete the scope of our services. We will bill you at actual cost for these types of expenses. We may also submit bills and invoices to you for payment to vendors directly.

Retainer and Clients' Funds. If the attached letter requires the payment of a retainer, you grant us a security interest in the retainer deposit. Unless otherwise agreed, the retainer deposit will be credited toward your unpaid invoices, if any, at the conclusion of services. If our bills are not paid within 30 days of the date of the invoice, we may apply the retainer to those unpaid bills. All retainers and clients' funds are held in clients' funds accounts in trust for your benefit at financial institutions in Texas. At the conclusion of our legal representation, the remaining balance will be returned to you. If the retainer deposit proves insufficient to cover current expected fees, expenses and charges, it may have to be increased. Any understanding regarding a retainer deposit, which is inconsistent with the foregoing, must be expressly conFirmed in the engagement letter or subsequent written communication from us.

Retainer deposits which are received to cover specific cost items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you.

Termination of Engagement. You may at any time terminate our services and representation upon written notice to the Firm. Such termination shall not, however, relieve you of the obligation to pay for all services already rendered, including work in progress and remaining incomplete at the time of termination, and to pay for all expenses incurred on your behalf through the date of termination.

We reserve the right to terminate our representation of you at any time by providing advance written notice to you. If permission for withdrawal is required by a court or arbitration panel, we will promptly request such permission, and you agree not to oppose our request.

Conclusion of Representation: Retention and Disposition of Documents. Unless previously terminated, our representation of you with respect to the agreed upon scope of representation will terminate upon sending you the last invoice for services rendered. Following such termination, any otherwise nonpublic information you have supplied to us, which is retained by us, will be kept confidential in accordance with applicable rules of professional conduct. Your papers and property will be returned to you upon receipt of payment for outstanding fees, expenses and charges unless a court orders otherwise. We may retain our own files, including lawyer work product, pertaining to the representation.

For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any documents or other materials retained by us after the termination of the engagement.

Unless you actually engage us after the closing to provide additional advice on issues arising from this representation, we have no continuing obligation to advise you with respect to future legal developments.

Item 5.I

City of Melissa City Council Regular Meeting Staff Report

Date August 25, 2026

Subject Consider ratification of the engagement of Harris Finley Bogle as litigation counsel to the City of Melissa. (JL)

Submitted by Jason Little, City Manager

Summary of Subject

The City of Melissa and the City of McKinney are parties to a 1984 Boundary Agreement addressing the municipal boundaries between the two cities. McKinney believes that Melissa's actions concerning annexation actions of the Vineyard Hills Estate property constitute a breach of its contractual obligations, even with the enactment of SB 2038.

The City's regular City Attorney and law firm are conflicted from formally representing the City in this litigation. Accordingly, Harris Finley Bogle will serve as litigation counsel and provide representation to the City in the matter. The City's regular City Attorney's Office will provide support and assistance to Harris Finley Bogle as appropriate throughout the litigation.

Given the conflict preventing the City's regular City Attorney and law firm from formally representing Melissa in this matter, outside litigation counsel was engaged to represent the City's interests.

Budget Impact

Legal fees and expenses associated with the litigation will be paid from the City's available legal services budget, subject to any applicable reimbursement or recovery through the litigation.

Staff Recommendation

Staff recommends that the City Council ratify the engagement of Harris Finley Bogle as litigation counsel to represent the City of Melissa in connection with the filing of a breach of contract action against the City of McKinney related to the 1984 Boundary Agreement.

Supporting Documents

1. harris finley bogle engagement.pdf

HARRIS • FINLEY • BOGLE

ANDREW D. SIMS
BOARD CERTIFIED • CIVIL APPELLATE LAW • CIVIL TRIAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION
DIRECT 817.870.8704
DIRECT FAX 817.333.1186
ASIMS@HFBLAW.COM

August 11, 2026

CONFIDENTIAL

VIA EMAIL: jlittle@cityofmelissa.com

CITY OF MELISSA, TEXAS
Attn: Mr. Jason Little, City Manager
3411 Barker Avenue, 2nd Floor
Melissa, TX 75454

Re: Defense of litigation involving Senate Bill 2038 and alleged breach of Boundary Agreement filed by City of McKinney, Texas ("Matter")

Dear Mr. Little:

This letter confirms the agreement of Harris, Finley & Bogle, P.C. ("we", "our", "HFB", or "Firm") to represent the interests of City of Melissa ("you", "your", or "Client") in connection with the above-described Matter. The Firm's representation of Client shall be in accordance with the terms and conditions set forth herein.

The Firm will represent Client in this Matter on an hourly fee arrangement. From time to time, the Firm may bill Client for such matters as printing, photocopying, filing fees, court costs, deposition costs, travel, long-distance telephone calls, facsimile transmissions, computer research, and the like. Some of the items will represent out-of-pocket funds advanced for Client's account and others will result from services provided by the Firm. The Firm will keep records of all such charges and Client agrees to pay the Firm monthly for these items. The Firm may also send expense items payable to third parties directly to Client's for payment. Attached is a list of the Firm's current billing rates, which may change from time to time; Client agrees to pay these rates. *See* Exhibit A. Also attached hereto is a copy of the Texas Lawyer's Creed, which, along with other applicable rules of conduct, guides the manner in which Texas lawyers shall represent their clients. *See* Exhibit B.

The primary factor determining our charges for legal representation is the number of hours expended by persons at the Firm to perform legal services on Client's behalf at the respective person's rates in effect from time to time. For billing purposes, the Firm keeps time in tenth-of-an-hour increments. Each telephone call, email communication, office conference, letter, pleading, or other item of work will be charged at the actual time reasonably and necessarily expended to the nearest tenth of an hour (with a minimum of one tenth). These charges may be adjusted for factors such as: the complexity of the factual and legal issues involved; the skill required to provide proper representation; the commitment of Firm resources to meet Client's immediate needs to the

preclusion of accepting other engagements; the results achieved; and the customary fees for similar legal services in the Firm's community.

The Firm expects payment of any amounts due and owing to be made within thirty (30) days of the date listed on the statements you receive from the Firm, and you agree to timely pay the same. No deposit is required at this time, but at the sole discretion of Firm, if Firm determines a deposit is necessary, Client agrees to make such deposit. Any deposit will be maintained in the Firm's Trust Account and any unused portion of the deposit will be returned to Client at the conclusion of the representation. Client agrees Firm may pay its invoices from any deposit if Client does not timely pay any such invoice(s).

Generally, communications between an attorney and a client are confidential, but you can waive that privilege. Waiver can happen by your disclosure to third parties of any communications between us. For this reason, the Firm recommends that you not disclose to third parties advice that the Firm provides to you or discussions or other communications between us. Such disclosure would include, but is not limited to, the forwarding to third parties of emails or other correspondence between us.

Additionally, all documents in whatever form relating to this Matter must be preserved and not deleted or destroyed. This includes, emails, text messages, documents, drafts of documents, written correspondence, agreements, drafts of agreements, memos, letters, hand-written notes, calendar appointments, internal communications, and any other type of document, whether in paper, digital, or other form, that may in any way relate to this Matter. HFB can provide assistance with ensuring that all preserved documents are efficiently collected, properly searched, and prepared for production in accordance with the relevant rules.

Client hereby authorizes the Firm to withdraw from this agreement and this representation at any time upon the happening of any of the following events:

(a) Client or the Firm determine(s) that it will be uneconomical or impractical for the attorneys to continue to represent Client;
(b) Client fails to timely pay the Firm's monthly statements for fees and expenses, or refuses to make or replenish the deposit if Firm requests an additional deposit or requests replenishment of the existing deposit;
(c) Client fails to cooperate with the Firm in discovery, providing information, in other matters, or fail to abide by any court or arbitration rule, or order;
(d) Client fails to follow the Firm's recommendations;
(e) The Firm learns that Client has not, or anyone associated with Client has not, been forthcoming or has been untruthful or made misrepresentations to the Firm; or
(f) A conflict of interest arises that prevents the Firm from continuing to represent Client.

Client has the right to terminate this engagement at any time and for any reason.

Except as set forth in this agreement or otherwise in writing, the scope of the Firm's representation does not include the expectation on Client's part, or the intention on the Firm's part,

to render advice as to the tax consequences stemming from the Firm's representation of Client. Tax advice will be considered to have been rendered if, and only if, there is a signed agreement in writing whereby the Firm agrees to render tax advice and such tax advice is rendered to Client in written form (not including e-mail).

All Client-supplied materials and all attorney end-product (collectively, "Client Materials") are the property of Client. Examples of attorney end-product include completed contracts or estate planning documents, deeds, and corporate records. Everything else is attorney work product.

Attorney work product is the property of the Firm. Examples include photocopies of Client Materials, as well as drafts, notes, internal memoranda, administration materials, correspondence, and electronic versions of both Client Materials and attorney work product.

By signing this agreement, Firm and Client are stating to each other that they do not know of any conflicts of interest including, but not limited to, potential conflicts of interest created by the Firm's representation of Client. Client and Firm agree to immediately notify each other if they become aware of any conflicts of interest. If there is a conflict, it may mean that the Firm will need to withdraw from representation and Client will need to get a different attorney.

Documents that you deliver to us may be converted to digital format and stored on our secure servers. Documents that we receive on your behalf that are not original documents may be converted to digital format and then shredded. The Firm will retain paper or other physical originals only of Client Materials (which will be returned to you at the end of the Firm's work on the Matter), original signatures, certified documents, fee agreements, research, records on any appeal, attorney notes, CDs of production, and items for which electronic storage is impracticable.

Notifications to you may be made by electronic means, unless agreed otherwise.

To provide you with efficient and high-quality legal services, our firm may utilize advanced technology tools, including Artificial Intelligence (AI). For example, AI might assist us with tasks such as reviewing large volumes of documents, organizing case information, summarizing transcripts, or performing initial legal research. We want to assure you that any AI tools used will be carefully selected and implemented with strict adherence to our professional ethical obligations, including the protection of your confidential information. We vet our AI vendors to ensure they have data security and privacy measures in place. Your sensitive information will not be shared with public AI platforms without explicit safeguards and your consent. Please understand that AI is a tool to assist our attorneys; it does not replace the judgment and expertise of your legal team. All AI-generated content will be thoroughly reviewed and verified by a licensed attorney before it is used in your case or shared with third parties. We are committed to transparency regarding our use of technology. Please feel free to ask us any questions you may have about how AI may be used in your matter.

After completion of the Matter, the Firm will notify you of the existence of Client Materials that remain in its possession. The Firm will return all documents you provided, as well as all original documents generated in connection with the representation. You have an affirmative duty to retrieve those Client Materials or to direct the Firm to forward the Client Materials at your

expense. The Firm may retain electronic or physical copies of all such documents as well as all other materials. If you fail to retrieve the materials or request the Firm to forward them, this failure shall be regarded as your authorization for the Firm to destroy the Client Materials without further notice to you.

The Firm may destroy any of your files at any time with your written consent and, in any event, five years after the conclusion of the representation. During that five-year period, we shall make such files available to you for copying.

Client agrees that this contract for legal services will be governed by and construed in accordance with the laws of the State of Texas without regard to any conflict of laws or provisions thereof, and that any dispute relating to or arising out of this agreement for legal services shall be arbitrated in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and that the locale for such arbitration shall be Fort Worth, Tarrant County, Texas, and no other place.

Please let me know if you have any questions about the terms of the representation. If you do not agree to any of these terms, please advise me immediately. Otherwise, please sign below to acknowledge agreement to the terms set forth herein and return this letter to me. In addition, after signing, please keep a copy of this agreement for your files.

Thank you and we look forward to representing you in this Matter.

Sincerely,

Andrew D. Sims

ADS /adl
Attachments

Agreed:

CITY OF MELISSA

By: Jason Little
Its: City Manager
Date: 8/11/2026

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE VINEYARD HILLS ESTATES PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN PHASE #1 OF THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN PHASE #1 OF THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS, PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Melissa, Texas (the "City") is authorized by Chapter 372, Texas Local Government Code, as amended (the "PID Act") to create a public improvement district and to levy special assessments against property within the district to pay the costs of public improvement projects that confer a special benefit on property within the district;

WHEREAS, on or before September 9, 2025, there was submitted to and filed with the City Secretary of the City pursuant to the PID Act that certain "Petition for the Creation of a Public Improvement District within the Extraterritorial Jurisdiction of Melissa, Texas for the Vineyard Hills Estates Public Improvement District" (the "Creation Petition") requesting the establishment of a public improvement district covering approximately 65.62 acres described in the Creation Petition, and to be known as "Vineyard Hills Estates Public Improvement District" (the "District");

WHEREAS, the City Council of the City (the "City Council") received the Creation Petition and determined that it satisfied the requirements of the PID Act;

WHEREAS, after providing the notices required by the PID Act and by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended (the "Open Meetings Act"), on October 14, 2025 the City Council opened, conducted and closed a public hearing to determine the advisability of creating and establishing the District and undertaking the public improvement projects described in the Creation Petition;

WHEREAS, all owners of property located within the District and all other interested persons were given the opportunity at such public hearing to speak for or against the creation of the District and the proposed public improvements;

WHEREAS, the City Council made findings based on the information contained in the Creation Petition presented to the City Council and the comments received at the public hearing;

WHEREAS, the City Council adopted Resolution No. 2026-02 on October 14, 2025 (the "Authorization Resolution"), authorizing the creation of the District and ordering public improvements to be made for the benefit of such District; and

DRAFT

WHEREAS, the City filed the Authorization Resolution with the County Clerk of Collin County, which is the county in which all of the District is located, as required by law; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary of the City (the "City Secretary") within twenty (20) days after October 14, 2025; and

WHEREAS, on June 23, 2026, the City Council adopted a resolution determining the total costs of the Phase #1 Projects (as defined in the Service and Assessment Plan, defined below), which costs include the Phase #1 Improvements (as defined in the Service and Assessment Plan), the pro rata portion of the Major Improvements (as defined in the Service and Assessment Plan) allocable to Phase #1, and the payment of expenses incurred in the administration of the District and related to the issuance of any bonds, approving a preliminary service and assessment plan, including the proposed assessment roll for Phase #1 (as defined in the Service and Assessment Plan) of the District (the "Phase #1 Assessment Roll"), authorizing and directing the City Secretary to file the proposed Phase #1 Assessment Roll for the District and make the Phase #1 Assessment Roll available for public inspection, calling a public hearing to consider the levying of assessments against the property within Phase #1 (the "Phase #1 Assessments"), and directing the publication and mailing of notice of a public hearing (the "Assessment Hearing") to consider an ordinance levying the Phase #1 Assessments; and

WHEREAS, the City Secretary filed the proposed Phase #1 Assessment Roll and made the same available for public inspection; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, mailed the notice of the Assessment Hearing to the last known address of the owners of the property liable for the Phase #1 Assessments; and

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Assessment Hearing on July 3, 2026, in the *Star Local News - McKinney*, a newspaper of general circulation in the City; and

WHEREAS, at the July 28, 2026 City Council meeting, the City Council opened and conducted the Assessment Hearing, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Phase #1 Assessment Roll, and the proposed Phase #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Phase #1 Assessments, the allocation of the Actual Costs (as defined in the Service and Assessment Plan) of the Phase #1 Projects (as defined in the Service and Assessment Plan), which costs include the Phase #1 Improvements, the pro rata portion of the Major Improvements allocable to Phase #1, and the payment of expenses incurred in the administration of the District and related to the issuance of any bonds, the purposes of the Phase #1 Assessments, the special benefits of the Phase #1 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Phase #1 Assessments; and

WHEREAS, the owners of 100% of the property subject to the proposed assessment within the District (the "Landowner") had actual knowledge of the Assessment Hearing to be held on July 28, 2026, and support the creation of the District and the levy of the Phase #1 Assessments

DRAFT

against the Phase #1 Assessed Property (as defined in the Service and Assessment Plan) in accordance with the Service and Assessment Plan to finance the Phase #1 Projects for benefit of the property within Phase #1; and

WHEREAS, the City Council finds and determines that the Phase #1 Assessment Roll and the Vineyard Hills Estates Public Improvement District Service and Assessment Plan dated July 28, 2026 (the "Service and Assessment Plan"), attached as **Exhibit A** and incorporated as a part of this Ordinance for all purposes, should be approved and that the Phase #1 Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan, including the Phase #1 Assessment Roll attached thereto as Appendix G; and

WHEREAS, the City Council further finds that there were no objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Actual Costs of the Phase #1 Projects as described in the Service and Assessment Plan, the Phase #1 Assessment Roll, and the levy of the Phase #1 Assessments; and

WHEREAS, at the Assessment Hearing, the Landowner, or its representatives, who are the owners of all of the Phase #1 Assessed Property, have indicated their approval and acceptance of the levy of the Phase #1 Assessments against the Phase #1 Assessed Property; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the Assessment Hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act;

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

Section 1. **Terms**.

Terms not otherwise defined herein are defined in the Service and Assessment Plan.

Section 2. Findings.

The City Council hereby finds, determines, and ordains, as follows:

(a) The recitals set forth in the WHEREAS clauses of this Ordinance are true and correct and are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section and constitute findings of the City Council acting in its discretionary, legislative capacity;

(b) All actions of the City in connection with the creation and establishment of the District and the approval of this Ordinance: (i) have been taken and performed in compliance with the PID Act and all other applicable laws, policies, and procedures; (ii) have been taken and performed in a regular, proper and valid manner; and (iii) are approved and ratified;

(c) The apportionment of the Actual Costs of the Phase #1 Projects, which costs include the Phase #1 Improvements, the pro rata portion of the Major Improvements allocable to

Phase #1, and the Bond Issuance Costs and Administrative Expenses pursuant to the Service and Assessment Plan is fair and reasonable, reflects an accurate presentation of the special benefit each Parcel of Phase #1 Assessed Property will receive from the construction of the Phase #1 Projects identified in the Service and Assessment Plan, and is hereby approved;

(d) The Service and Assessment Plan (i) covers a period of at least five years, (ii) defines the annual indebtedness and projected costs for the Phase #1 Projects, and (iii) includes a copy of the notice form or forms required by Section 5.014 of the Texas Property Code, as amended;

(e) The Service and Assessment Plan apportions the Actual Costs of the Phase #1 Projects to be assessed against the Phase #1 Assessed Property and such apportionment is made on the basis of special benefits accruing to the Phase #1 Assessed Property because of the Phase #1 Projects;

(f) All of the Phase #1 Assessed Property being assessed in the amounts shown on the Phase #1 Assessment Roll will be benefited by the Phase #1 Projects proposed to be constructed as described in the Service and Assessment Plan, and each assessed Parcel of Phase #1 Assessed Property will receive special benefits equal to or greater than the total amount assessed for the Phase #1 Projects;

(g) The method of apportionment of the Actual Costs of the Phase #1 Projects and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Phase #1 Projects and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the Actual Costs;

(h) The Service and Assessment Plan has been prepared on behalf of, presented to, and reviewed by the City Council and should be approved as the service plan and assessment plan for the District for all purposes as described in Sections 372.013 and 372.014 of the PID Act;

(i) The Phase #1 Assessment Roll should be approved as the Assessment Roll for Phase #1 of the District;

(j) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Phase #1 Assessments, interest on Phase #1 Annual Installments, interest and penalties on delinquent Phase #1 Assessments and delinquent Phase #1 Annual Installments, and procedures in connection with the imposition and collection of Phase #1 Assessments should be approved and will expedite collection of the Phase #1 Assessments in a timely manner in order to provide the services and improvements needed and required for Phase #1 of the District; and

(k) A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

DRAFT

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan relating to the Authorized Improvements for the District. The Service and Assessment Plan shall be updated by the City Council no less frequently than annually as required by the PID Act and more frequently as may be required by the Service and Assessment Plan including upon the issuance of PID Bonds.

Section 4. Phase #1 Assessment Roll.

The Phase #1 Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Assessment Roll of the District for all purposes.

Section 5. **Levy and Payment of Assessments for Costs of the Phase #1 Projects**.

(a) The City Council hereby levies the Phase #1 Assessments on each Parcel of Assessed Property, as shown and described in the Service and Assessment Plan and the Phase #1 Assessment Roll, in the respective amounts shown in the Service and Assessment Plan as a special assessment as set forth in the Phase #1 Assessment Roll. The amount of the Phase #1 Annual Installments shall be reviewed and determined annually by the City Council following the City Council's annual review of the Service and Assessment Plan for the District. Pursuant to Section 372.015(d), the amount of Phase #1 Assessment for each owner of Phase #1 Assessed Property may be adjusted following the annual review of the Service and Assessment Plan.

(b) The levy of the Phase #1 Assessments shall be effective on the date of execution of this Ordinance levying Phase #1 Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.

(c) The collection of the Phase #1 Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Phase #1 Assessment may be prepaid in whole or in part at any time without penalty or may be paid in Phase #1 Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Phase #1 Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.

(f) Each Phase #1 Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) The Administrative Expenses for Phase #1 Assessed Property shall be calculated pursuant to the terms of the Service and Assessment Plan.

DRAFT

Section 6. **Method of Assessment**.

The method of apportioning the Actual Costs of the Phase #1 Projects and Administrative Expenses are set forth in the Service and Assessment Plan.

Section 7. **Penalties and Interest on Delinquent Assessments**.

Delinquent Phase #1 Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. **Prepayments of Assessments**.

As provided in the Service and Assessment Plan, the owner of any Phase #1 Assessed Property may prepay the Phase #1 Assessments levied by this Ordinance.

Section 9. **Lien Priority**.

(a) The Phase #1 Assessments and Phase #1 Annual Installments levied and assessed against the Phase #1 Assessed Property as provided in this Ordinance and the Service and Assessment Plan, together with reasonable attorney's fees and costs of collection, if incurred, are, pursuant to the PID Act, a lien upon each Parcel of Phase #1 Assessed Property against which the same are levied and assessed, and a personal liability and charge against the owners of such Parcels, including the successors and assigns, whether such owners be named herein or not, and said liens shall be and constitute the first enforceable lien and claim against the Parcels on which such assessments are levied, and shall be a first and prior lien thereon, superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes.

(b) The City Council and the Landowner intend for the obligations, covenants and burdens on the Phase #1 Assessed Property, including without limitation such Landowner's obligations related to payment of the Phase #1 Assessments and the Phase #1 Annual Installments thereof, to constitute covenants that shall run with the land. The Phase #1 Assessments and the Phase #1 Annual Installments thereof which are levied hereby shall be binding upon the Landowner, as the owners of all of the Phase #1 Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns, regardless of whether such owners are named, in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. The Phase #1 Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. **Appointment of Initial Administrator and Collector of Phase #1 Assessments.**

MuniCap, Inc. has been appointed and designated to serve, until otherwise determined by the City Council, as the Administrator of the Service and Assessment Plan and of the Phase #1 Assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan, in this Ordinance and in any contract

DRAFT

between the City and the Administrator. The Administrator's fees, charges and expenses for providing such service shall constitute Administrative Expenses.

The City shall by future action appoint a third-party collector of the Phase #1 Assessments. The City is hereby authorized to enter into an agreement with a third-party for the collection of the Phase #1 Assessments. The City may also contract with other qualified collection agents selected by the City or may collect the Phase #1 Assessments on its own behalf. The costs of such collection contracts shall constitute Administrative Expenses.

Section 11. Applicability of Tax Code.

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code, as amended, governing enforcement of ad valorem tax liens (other than with respect to property subject to agriculture use valuation, including redemption rights following a tax sale) shall be applicable to the imposition and collection of Phase #1 Assessments by the City, and the Texas Tax Code shall otherwise be applicable to the extent provided by the PID Act.

Section 12. Filing With County Clerk.

Not later than the seventh day after the date of the adoption of this Ordinance, the City Secretary is hereby authorized and directed to file a copy of this Ordinance, including the Service and Assessment Plan, with the county clerk of Collin County, which is the county in which all of the District is located. The City Secretary is further directed to similarly file each Annual Service Plan Update or other amendment or update to the Service and Assessment Plan approved by the City Council not later than the seventh day after the date of such City Council approval. The City Secretary may fulfill such filing requirements by recording such documents in the real property records of Collin County, Texas.

The City Secretary is further directed to post on the City's internet website a copy of the Service and Assessment Plan, including a copy of the notice form required by Section 5.014, Property Code, not later than the seventh day after the date that the City Council approves the Service and Assessment Plan.

Section 13. Additional Actions.

The Mayor, the Mayor Pro Tem, the City Manager or Interim City Manager and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to levy assessments in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the City Manager or Interim City Manager and the City Secretary are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions and other documents which may be necessary or advisable in connection with the carrying out of the purposes and intent of this Ordinance.

DRAFT

Section 14. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity or any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 15. Effective Date.

This Ordinance shall take effect, and the levy of the Phase #1 Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution hereof.

[Remainder of Page Intentionally Left Blank; Signature page follows]

DRAFT

PASSED AND APPROVED by the City Council of the City of Melissa, Texas, on the __ day of _____, 2026.

_____
Mayor

ATTEST:

_____
City Secretary

[CITY SEAL]

DRAFT

EXHIBIT A

Service and Assessment Plan

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, ACCEPTING THE 2026 NO-NEW-REVENUE TAX RATE AND VOTER-APPROVAL TAX RATE AND RESOLVING OTHER MATTERS RELATING TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Melissa, Texas (the "City Council") is required to annually accept the No-New-Revenue Tax Rate and Voter-Approval Tax Rate; and

WHEREAS, the City Council of the City of Melissa, Texas does hereby accept the 2026 No-New-Revenue Tax Rate and Voter-Approval Rate.

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

SECTION 1: Preamble Incorporated. That all matters stated in the preamble of this Resolution are true and correct and are hereby incorporated into the body of this Resolution as if copied in their entirety.

SECTION 2: 2026 No-New-Revenue Tax Rate and Voter-Approval Rate. That Exhibit "A", attached hereto and incorporated herein for all purposes, constitutes the 2026 No-New-Revenue Tax Rate and Voter-Approval Rate.

SECTION 3: Effective Date. This Resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS on this 25th day of August, 2026.

_____
JAY NORTHCUT, Mayor

ATTEST TO:

_____
HOPE BASKIN, City Secretary

Exhibit A
Resolution

[12 *pages attached hereto*]

2026 Tax Rate Calculation Worksheet
Taxing Units Other Than School Districts or Water Districts

Form 50-856

City of Melissa	972-838-2338
Taxing Unit Name	Phone *(area code and number)*
3411 Barker Avenue, Melissa, TX 75454	www.cityofmelissa.com
Taxing Unit's Address, City, State, ZIP Code	Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per $100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 and JETI Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 and JETI Agreements.*

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet.*

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.[1] Source materials must contain data for all worksheets used, including supplemental worksheets.

Insert hyperlink:

https://api.collincountytx.gov/DocAPI-TruthInTaxationProxy/Document/41390930/Download

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	**Prior year total taxable value.** Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17).[2]	$ 4,384,834,447
2.	**Prior year tax ceilings.** Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step.[3]	$ 296,503,422
3.	**Preliminary prior year adjusted taxable value.** Subtract Line 2 from Line 1.	$ 4,088,331,025
4.	**Prior year total adopted tax rate.**	$ 0.454116 /$100
5.	**Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value.** **A. Original prior year ARB values:** $ 332,799,700 **B. Prior year values resulting from final court decisions:** - $ 313,276,070 **C. Prior year value loss.** Subtract B from A.[4]	$ 19,523,630

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Tax Code §26.012(14)
[3] Tex. Tax Code §26.012(14)
[4] Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
6.	**Prior year taxable value subject to an appeal under Chapter 42, as of July 25.** **A. Prior year ARB certified value:** $ 243,167,369 **B. Prior year disputed value:** - $ 12,450,169 **C. Prior year undisputed value.** Subtract B from A. [5]	$ 230,717,200
7.	**Prior year Chapter 42 related adjusted values.** Add Line 5C and Line 6C.	$ 250,240,830
8.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Add Line 3 and Line 7.	$ 4,338,571,855
9.	**Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1 of the prior year.** Enter the prior year value of property in deannexed territory. [6]	$ 0
10.	**Prior year taxable value lost because property first qualified for an exemption in the current year.** If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. **A. Absolute exemptions.** Use prior year market value: $ 1,343,609 **B. Partial exemptions.** Current year exemption amount or current year percentage exemption times prior year value: + $ 37,373,601 **C. Value loss.** Add A and B. [7]	$ 38,717,210
11.	**Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year.** Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year. **A. Prior year market value:** $ 0 **B. Current year productivity or special appraised value:** - $ 0 **C. Value loss.** Subtract B from A. [8]	$ 0
12.	**Total adjustments for lost value.** Add Lines 9, 10C and 11C.	$ 38,717,210
13.	**Prior year captured value of property in a TIF.** Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. [9] If the taxing unit has no captured appraised value in line 18D, enter 0.	$ 346,594,748
14.	**Prior year total value.** Subtract Line 12 and Line 13 from Line 8.	$ 3,953,259,897
15.	**Adjusted prior year total levy.** Multiply Line 4 by Line 14 and divide by $100.	$ 17,952,385
16.	**Taxes refunded for years preceding the prior tax year.** Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. [10]	$ 71,016
17.	**Adjusted prior year levy with refunds.** Add Lines 15 and 16. [11]	$ 18,023,401

[5] Tex. Tax Code §26.012(13)
[6] Tex. Tax Code §26.012(15)
[7] Tex. Tax Code §26.012(15)
[8] Tex. Tax Code §26.012(15)
[9] Tex. Tax Code §26.03(c)
[10] Tex. Tax Code §26.012(13)
[11] Tex. Tax Code §26.012(13) and (15)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
18.	**Total current year taxable value on the current year certified appraisal roll today.** This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. [12] **A. Certified values:** ..... $ 4,487,024,882 **B. Counties:** Include railroad rolling stock values certified by the Comptroller's office: ..... + $ 0 **C. Pollution control and energy storage system exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - $ 0 **D. Tax increment financing:** Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment reinvestment zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 24 below. [13] Adjustments to the taxable value must be calculated separately for each reinvestment zone using Form 50-110.[14] Enter the total from Form 50-110 ..... - $ 346,170,463 **E. Total current year value.** Add A and B, then subtract C and D.	$ 4,140,854,419
19.	**Total value of properties under protest or not included on certified appraisal roll.** [15] **A. Current year taxable value of properties under protest.** The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. [16] ..... $ 522,209,749 **B. Current year value of properties not under protest or included on certified appraisal roll.** The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. [17] ..... + $ 0 **C. Total value under protest or not certified.** Add A and B.	$ 522,209,749
20.	**Current year tax ceilings.** Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step.[18]	$ 319,276,287
21.	**Anticipated contested value.** Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. [19] An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico.[20] If completing this line, the taxing unit must include supporting documentation in Section 9.[21] Taxing units that are not affected, enter 0.	$ 0
22.	**Current year total taxable value.** Add Lines 18E and 19C, then subtract Lines 20 and 21.[22]	$ 4,343,787,881
23.	**Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year.** Include both real and personal property. Enter the current year value of property in territory annexed. [23]	$ 12,925,642
24.	**Total current year taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements **do** include property on which a tax abatement agreement has expired for the current year. [24]	$ 334,959,522

[12] Tex. Tax Code §§26.012(6) and 26.04(c-2)
[13] Tex. Tax Code §26.03(c)
[14] Tex. Tax Code §26.03(e)
[15] Tex. Tax Code §26.01(c) and (d)
[16] Tex. Tax Code §26.01(c)
[17] Tex. Tax Code §26.01(d)
[18] Tex. Tax Code §26.012(6)(B)
[19] Tex. Tax Code §§26.012(6)(C) and 26.012(1-b)
[20] Tex. Tax Code §26.012(1-a)
[21] Tex. Tax Code §26.04(d-3)
[22] Tex. Tax Code §26.012(6)
[23] Tex. Tax Code §26.012(17)
[24] Tex. Tax Code §26.012(17)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
25.	**Total adjustments to the current year taxable value.** Add Lines 23 and 24.	$ 347,885,164
26.	**Adjusted current year taxable value.** Subtract Line 25 from Line 22.	$ 3,995,902,717
27.	**Current year NNR tax rate.** Divide Line 17 by Line 26 and multiply by $100. [25]	$ 0.451047 /$100
28.	**COUNTIES ONLY.** Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. [26]	$ /$100

Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the tax rate. The type of taxing unit will determine the rate components that apply to a taxing units' overall voter-approval tax rate.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

SECTION 2: Maintenance and Operations (M&O) and Debt Tax Rate Worksheet

This section calculates two components of the voter-approval tax rate:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt Rate:** The debt rate includes the minimum dollar amount required to be paid toward debt service for the current year.[27] This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
29.	**Prior year M&O tax rate.** Enter the prior year M&O tax rate.	$ 0.318088 /$100
30.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Enter the amount in Line 8 of the *No-New-Revenue Tax Rate Worksheet.*	$ 4,338,571,855
31.	**Total prior year M&O levy.** Multiply Line 29 by Line 30 and divide by $100.	$ 13,800,476
32.	**Adjusted prior year levy for calculating NNR M&O rate.** **A.** **M&O taxes refunded for years preceding the prior tax year.** Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2025. This line applies only to tax years preceding the prior tax year. + $ 50,015 **B.** **Prior year taxes in TIF.** Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0. – $ 1,099,564 **C.** **Prior year transferred function.** If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- $ 0 **D.** **Prior year M&O levy adjustments.** Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. $ -1,049,549 **E.** Add Line 31 to 32D.	$ 12,750,927
33.	**Adjusted current year taxable value.** Enter the amount in Line 26 of the *No-New-Revenue Tax Rate Worksheet.*	$ 3,995,902,717
34.	**Current year NNR M&O rate (unadjusted).** Divide Line 32E by Line 33 and multiply by $100.	$ 0.319100 /$100

[25] Tex. Tax Code §26.04(c)
[26] Tex. Tax Code §26.04(d)
[27] Tex. Tax Code §26.012(3)

Line	M&O and Debt Tax Rate Worksheet		Amount/Rate
35.	**Rate adjustment for state criminal justice mandate.** [28]		
	A. **Current year state criminal justice mandate.** Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	$ 0	
	B. **Prior year state criminal justice mandate.** Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.	– $ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0.000000 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0.000000 /$100
36.	**Rate adjustment for indigent health care expenditures.** [29]		
	A. **Current year indigent health care expenditures.** Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose.	$ 0	
	B. **Prior year indigent health care expenditures.** Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state assistance received for the same purpose.	– $ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0.000000 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0.000000 /$100
37.	**Rate adjustment for county indigent defense compensation.** [30]		
	A. **Current year indigent defense compensation expenditures.** Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30,of the current tax year, less any state grants received by the county for the same purpose.	$ 0	
	B. **Prior year indigent defense compensation expenditures.** Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state grants received by the county for the same purpose.	$ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0.000000 /$100	
	D. Multiply B by 0.05 and divide by Line 33 and multiply by $100.	$ 0.000000 /$100	
	E. Enter the lesser of C and D. If not applicable, enter 0.		$ 0.000000 /$100
38.	**Rate adjustment for county hospital expenditures.** [31]		
	A. **Current year eligible county hospital expenditures.** Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year.	$ 0	
	B. **Prior year eligible county hospital expenditures.** Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2024 and ending on June 30, 2025.	$ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0.000000 /$100	
	D. Multiply B by 0.08 and divide by Line 33 and multiply by $100.	$ 0.000000 /$100	
	E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.		$ 0.000000 /$100

[28] Tex. Tax Code §26.044
[29] Tex. Tax Code §26.0441
[30] Tex. Tax Code §26.0442
[31] Tex. Tax Code §26.0443

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
39.	**Rate adjustment for defunding municipality.** This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information. **A.** **Amount appropriated for public safety in the prior year.** Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year. $ 0 **B.** **Expenditures for public safety in the prior year.** Enter the amount of money spent by the municipality for public safety during the preceding fiscal year $ 0 **C.** Subtract B from A and divide by Line 33 and multiply by $100 $ 0.000000 /$100 **D.** Enter the rate calculated in C. If not applicable, enter 0.	$ 0.000000 /$100
40.	**Adjusted current year NNR M&O rate.** Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.	$ 0.319100 /$100
41.	**Adjustment for prior year sales tax specifically to reduce property taxes.** Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero. **A.** Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent $ 0 **B.** Divide Line 41A by Line 33 and multiply by $100 $ 0.000000 /$100 **C.** Add Line 41B to Line 40.	$ 0.319100 /$100
42.	**Current year voter-approval M&O rate.** Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply Line 41C by 1.08. **- or -** **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 41C by 1.035.	$ 0.330268 /$100
D42.	***Disaster Line 42 (D42):* Current year voter-approval M&O rate for taxing unit affected by disaster declaration.** [32] If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate a rate equal to the lesser of: **A.** The voter-approval tax rate calculated in the manner provided for a special taxing unit. Multiply line 41C by 1.08 [33] $ 0.000000 /$100 **- or -** **B.** The voter-approval M&O tax rate calculated in the manner provided for a taxing unit other than a special taxing unit plus the disaster relief rate. [34] Complete Section 5 through Line 68 to complete D42(B). a. Enter the **disaster relief cost.** $ 0 b. **Disaster relief rate**. Divide Line D42(B)(a) by Line 26 and multiply by 100 $ 0.000000 /$100 c. Add Line D42(B)(b) to Line 42. $ 0.000000 /$100 d. Enter the **current year unused increment rate** from Line 68 $ 0.000000 /$100 e Add Line D42(c) to Line D42(d). $ 0.000000 /$100 The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of: 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or 2) the third tax year after the tax year in which the disaster occurred. **C.** Enter Line D42(A) if less than Line D42(B)(e). If Line D42(B)(e) is less than line D42(A), enter Line D42(B)(c). [35] If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).	$ 0.000000 /$100

[32] Tex. Tax Code §26.042
[33] Tex. Tax Code §26.042(a-2)(1)
[34] Tex. Tax Code §§26.042(a-1) and 26.042(a-2)(2)
[35] Tex. Tax Code §26.042(a-2)

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
43.	**Total current year debt to be paid with property taxes and additional sales tax revenue.** Debt means the interest and principal that will be paid on debts that: **(1)** are paid by property taxes; **(2)** are secured by property taxes; **(3)** are scheduled for payment over a period longer than one year; and **(4)** are not classified in the taxing unit's budget as M&O expenses. **A. Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. [36] Enter debt amount ..... $ 6,051,335 **B.** Subtract **unencumbered fund amount** used to reduce total debt. ..... – $ 0 **C.** Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none) ..... – $ 0 **D.** Subtract **amount paid** from other resources ..... – $ 0 **E. Adjusted debt.** Subtract B, C and D from A.	$ 6,051,335
44.	**Certified prior year excess debt collections.** Enter the amount certified by the collector. [37]	$ 0
45.	**Adjusted current year debt.** Subtract Line 44 from Line 43E.	$ 6,051,335
46.	**Current year anticipated collection rate.** **A.** Enter the current year anticipated collection rate certified by the collector. [38] ..... 100.00 % **B.** Enter the prior year actual collection rate. ..... 99.35 % **C.** Enter the 2024 actual collection rate. ..... 99.27 % **D.** Enter the 2023 actual collection rate. ..... 104.39 % **E.** If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. [39]	100.00 %
47.	**Current year debt adjusted for collections.** Divide Line 45 by Line 46E.	$ 6,051,335
48.	**Current year total taxable value.** Enter the amount on Line 22 of the *No-New-Revenue Tax Rate Worksheet*.	$ 4,343,787,881
49.	**Current year debt rate.** Divide Line 47 by Line 48 and multiply by $100.	$ 0.139310 /$100
50.	**Current year voter-approval M&O rate plus current year debt rate.** Add Lines 42 and 49.	$ 0.469578 /$100
D50.	***Disaster Line 50 (D50):* Current year voter-approval M&O and debt tax rate for taxing unit affected by disaster declaration.** Complete this line if the taxing unit calculated the voter-approval M&O tax rate in the manner provided by Line D42. Add Line D42(C) and 49.	$ 0.000000 /$100
51.	**COUNTIES ONLY.** Add together the voter-approval M&O and debt tax rates for each type of tax the county levies. The total is the current year county voter-approval M&O and debt tax rate.	$ _____ /$100

[36] Tex. Tax Code §26.012(7)
[37] Tex. Tax Code §§26.012(10) and 26.04(b)
[38] Tex. Tax Code §26.04(b))
[39] Tex. Tax Code §26.04(h), (h-1) and (h-2)

SECTION 3: Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
52.	**Taxable Sales.** For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters.[40] Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	$ 0
53.	**Estimated sales tax revenue.** Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. [41] **Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year.** Multiply the amount on Line 52 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. [42] **- or -** **Taxing units that adopted the sales tax before November of the prior year.** Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$ 0
54.	**Current year total taxable value.** Enter the amount from Line 22 of the *No-New-Revenue Tax Rate Worksheet*.	$ 4,343,787,881
55.	**Sales tax adjustment rate.** Divide Line 53 by Line 54 and multiply by $100.	$ 0.000000 /$100
56.	**Current year NNR tax rate, unadjusted for sales tax.**[43] Enter the rate from Line 27 or 28, as applicable, on the *No-New-Revenue Tax Rate Worksheet*.	$ 0.451047 /$100
57.	**Current year NNR tax rate, adjusted for sales tax.** **Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year.** Subtract Line 55 from Line 56. Skip to Line 58 if you adopted the additional sales tax before November of the prior tax year.	$ 0.451047 /$100
58.	**Current year voter-approval tax rate, unadjusted for sales tax.**[44] Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the *M&O and Debt Tax Rate Worksheet*.	$ 0.469578 /$100
59.	**Current year voter-approval tax rate, adjusted for sales tax.** Subtract Line 55 from Line 58.	$ 0.469578 /$100

SECTION 4: Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
60.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ. [45] The taxing unit shall provide its tax assessor-collector with a copy of the letter. [46]	$ 0
61.	**Current year total taxable value.** Enter the amount from Line 22 of the *No-New-Revenue Tax Rate Worksheet*.	$ 4,343,787,881
62.	**Additional rate for pollution control.** Divide Line 60 by Line 61 and multiply by $100.	$ 0.000000 /$100
63.	**Current year voter-approval tax rate, adjusted for pollution control.** Add Line 62 to one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties) or Line 59 (taxing units with the additional sales tax).	$ 0.469578 /$100

[40] Tex. Tax Code §26.041(d)
[41] Tex. Tax Code §26.041(i)
[42] Tex. Tax Code §26.041(d)
[43] Tex. Tax Code §26.04(c)
[44] Tex. Tax Code §26.04(c)
[45] Tex. Tax Code §26.045(d)
[46] Tex. Tax Code §26.045(i)

SECTION 5: Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value. [47] The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value. [48]

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042; [49]
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); [50] or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval. [51]

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. [52]

Line	Unused Increment Rate Worksheet	Amount/Rate
64.	**Year 3 Foregone Revenue Amount. Subtract the 2025 unused increment rate and 2025 actual tax rate from the 2025 voter-approval tax rate. Multiply the result by the 2025 current total value**	
	A. Voter-approval tax rate (Line 69)	$ 0.478134 /$100
	B. Unused increment rate (Line 68)	$ 0.000000 /$100
	C. Subtract B from A	$ 0.478134 /$100
	D. Adopted Tax Rate	$ 0.454116 /$100
	E. Subtract D from C	$ 0.024018 /$100
	F. 2025 Total Taxable Value (Line 61)	$ 3,961,291,370
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 951,422
65.	**Year 2 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value**	
	A. Voter-approval tax rate (Line 68)	$ 0.454116 /$100
	B. Unused increment rate (Line 67)	$ 0.000000 /$100
	C. Subtract B from A	$ 0.454116 /$100
	D. Adopted Tax Rate	$ 0.454116 /$100
	E. Subtract D from C	$ 0.000000 /$100
	F. 2024 Total Taxable Value (Line 60)	$ 3,721,069,090
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 0
66.	**Year 1 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value**	
	A. Voter-approval tax rate (Line 67)	$ 0.454728 /$100
	B. Unused increment rate (Line 66)	$ 0.000000 /$100
	C. Subtract B from A	$ 0.454728 /$100
	D. Adopted Tax Rate	$ 0.454728 /$100
	E. Subtract D from C	$ 0.000000 /$100
	F. 2023 Total Taxable Value (Line 60)	$ 2,851,986,470
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 0
67.	**Total Foregone Revenue Amount.** Add Lines 64G, 65G and 66G	$ 951,422
68.	**2026 Unused Increment Rate.** Divide Line 67 by Line 22 of the *No-New-Revenue Rate Worksheet*. Multiply the result by 100	$ 0.021903 /$100
69.	**Total 2026 voter-approval tax rate.** Add Line 68 to one of the following lines (as applicable): Line 50, Line D50 (only if Line D42(B) was used), Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution)	$ 0.491481 /$100

[47] Tex. Tax Code §26.013(b)
[48] Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
[49] Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)
[50] Tex. Tax Code §26.0501(a) and (c)
[51] Tex. Local Gov't Code §120.007(d)
[52] Tex. Local Gov't Code §26.04(c)(2)(B)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise $500,000, and the current debt rate for a taxing unit. [53]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [54]

Line	De Minimis Rate Worksheet	Amount/Rate
70.	**Adjusted current year NNR M&O tax rate.** Enter the rate from Line 40 of the *M&O and Debt Tax Rate Worksheet.*	$ 0.000000 /$100
71.	**Current year total taxable value.** Enter the amount on Line 22 of the *No-New-Revenue Tax Rate Worksheet.*	$ 0
72.	**Rate necessary to impose $500,000 in taxes.** Divide $500,000 by Line 71 and multiply by $100.	$ 0.000000 /$100
73.	**Current year debt rate.** Enter the rate from Line 49 of the *M&O and Debt Tax Rate Worksheet.*	$ 0.000000 /$100
74.	**De minimis rate.** Add Lines 70, 72 and 73.	$ 0.000000 /$100

SECTION 7: Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year. [55]

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
75.	**2025 adopted tax rate.** Enter the rate in Line 4 of the *No-New-Revenue Tax Rate Worksheet.*	$ 0.454116 /$100
76.	**Adjusted 2025 voter-approval tax rate.** Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. [56] If a disaster occurred in 2025 and the taxing unit calculated its 2025 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) of the 2025 worksheet due to a disaster, complete the applicable sections or lines of *Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet.* **- or -** If a disaster occurred prior to 2025 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) in 2025, complete form 50-856-a, *Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet* to recalculate the voter-approval tax rate the taxing unit would have calculated in 2025 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. [57] Enter the final adjusted 2025 voter-approval tax rate from the worksheet.	$ 0.000000 /$100
77.	**Increase in 2025 tax rate due to disaster.** Subtract Line 76 from Line 75.	$ 0.000000 /$100
78.	**Adjusted 2025 taxable value.** Enter the amount in Line 14 of the *No-New-Revenue Tax Rate Worksheet.*	$ 3,953,259,897
79.	**Emergency revenue.** Multiply Line 77 by Line 78 and divide by $100.	$ 0
80.	**Adjusted current year taxable value.** Enter the amount in Line 26 of the *No-New-Revenue Tax Rate Worksheet.*	$ 3,995,902,717
81.	**Emergency revenue rate.** Divide Line 79 by Line 80 and multiply by $100. [58]	$ 0.000000 /$100
82.	**Current year voter-approval tax rate, adjusted for emergency revenue.** Subtract Line 81 from one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (taxing units with the additional sales tax), Line 63 (taxing units with pollution control) or Line 69 (taxing units with the unused increment rate).	$ 0.491481 /$100

[53] Tex. Tax Code §26.012(8-a)
[54] Tex. Tax Code §26.063(a)(1)
[55] Tex. Tax Code §26.042(b)
[56] Tex. Tax Code §26.042(c)
[57] Tex. Tax Code §26.042(b)
[58] Tex. Tax Code §26.042(b)

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. ..... $ 0.451047 /$100
As applicable, enter the current year NNR tax rate from: Line 27, Line 28 (counties), or Line 57 (adjusted for sales tax).

Indicate the line number used: 27

Voter-approval tax rate ..... $ 0.491481 /$100
As applicable, enter the current year voter-approval tax rate from: Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (adjusted for sales tax), Line 63 (adjusted for pollution control), Line 69 (adjusted for unused increment), or Line 82 (adjusted for emergency revenue).

Indicate the line number used: 69

De minimis rate. ..... $ 0.000000 /$100
If applicable, enter the current year de minimis rate from Line 74.

SECTION 9: Addendum

An affected taxing unit that enters an amount described by Tax Code Section 26.012(6)(C) in line 21 must include the following as an addendum:

1. Documentation that supports the exclusion of value under Tax Code Section 26.012(6)(C); and
2. Each statement submitted to the designated officer or employee by the property owner or entity as required by Tax Code Section 41.48(c)(2) for that tax year.

Insert hyperlinks to supporting documentation:

SECTION 10: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code. [59]

print here ▶ Jayna Dean
Printed Name of Taxing Unit Representative

sign here ▶ Jayna Dean
Taxing Unit Representative

7/30/2026
Date

[59] Tex. Tax Code §26.04(c-2) and (d-2)

Captured Appraised Value Adjustment Supplemental Worksheet

Form 50-110

City of Melissa
Taxing Unit Name

972-838-2338
Phone Number *(area code and number)*

3411 Barker Avenue, Melissa, TX 75454
Taxing Unit's Address, City, State, ZIP Code

www.cityofmelissa.com
Taxing Unit's Website Address

2026
Current Tax Year

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.[1] Source materials must contain data for all worksheets used, including supplemental worksheets.

Insert hyperlink:

https://api.collincountytx.gov/DocAPI-TruthInTaxationProxy/Document/41390930/Download

GENERAL INFORMATION: To calculate the no-new-revenue tax rate, taxing units must deduct the current year captured appraised value of taxable property in a tax increment reinvestment zone (TIRZ) for which the current year taxes will be deposited into a tax increment financing (TIF) fund. A taxing unit that has a tax rate calculation affected by captured appraised value must calculate the taxable value adjustments separately for each reinvestment zone for the current tax year.[2]

SECTION 1: Current Year Captured Appraised Value Adjustment

TIRZ Name Enter the name of each zone or subzone .	**Captured Appraised Value** Enter the current year captured appraised value of taxable property in each zone for which taxes will be deposited into a TIF fund. Do not include any new property value.[3]
Melissa TIF #1	346,170,463.00
Total Captured Appraised Value Add all the values in the Captured Appraised Value column and enter the total on Line 18D on Form 50-856. If you used more than one page, total the values across all pages on Line 18D on Form 50-856.	

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Tax Code §26.03(e)
[3] Tex. Tax Code §26.03(c)

CITY OF MELISSA
3411 BARKER AVE
MELISSA, TX 75454

AUGUST 25, 2026

CONSIDER PROPOSED TAX RATE AND TAKE A RECORD VOTE

PROPOSED FISCAL YEAR 2026-2027 TAX RATE IS $0.471678 PER $100 OF PROPERTY VALUATION.

Record Vote:

PRESTON TAYLOR _____ FOR _____ AGAINST _____ PRESENT and not voting

RENDELL HENDRICKSON _____ FOR _____ AGAINST _____ PRESENT and not voting

DANA CONKLIN _____ FOR _____ AGAINST _____ PRESENT and not voting

CRAIG ACKERMAN _____ FOR _____ AGAINST _____ PRESENT and not voting

JOSEPH ARMSTRONG _____ FOR _____ AGAINST _____ PRESENT and not voting

SEAN LEHR _____ FOR _____ AGAINST _____ PRESENT and not voting

JAY NORTHCUT _____ FOR _____ AGAINST _____ PRESENT and not voting

Attested to:

_____
Hope Baskin
City Secretary

Item 7.D

City of Melissa City Council Regular Meeting Staff Report

Date August 25, 2026

Subject Consider a Professional Services Agreement with Hilltop Securities Asset Management for Investment Advisor Services. (CF)

Submitted by Cheryl Fields, Finance Director

Summary of Subject

The City has been utilizing an investment advisory service for the last 2 years and upon renewal, the Finance Department is recommending to enter into an agreement with Hilltop Securities Asset Management for the next 2 year period. The agreement allows for additional three (3) one-year extensions if mutually agreed upon.

Hilltop Securities Asset Management investment advisory services will include:

- Review the Investor's policy and cash flow projections
- Recommend appropriate strategies based upon policy guidelines and cash flow requirements
- Advise the Investor on current market conditions and other general information
- Analyze risk/return relationships between various investment alternatives
- Attend meetings of the governing body of the Investor, its staff, representatives, or committees as requested by the Investor when the subject of investments is to be discussed
- Assist in the selection of investment securities and, as directed by the Investor, cause the transactions to be executed
- Advise on the investment of the Portfolio in a manner consistent with the Investor's investment policy, the proceedings of the Investor authorizing the investment of the bond funds, and applicable state and federal rules and regulations
- Promptly send (or cause to be sent) trade confirmations to the Investor
- Assist the Investor in the creation of quarterly investment reports as required by written investment policy, stated procedures and/or state law.

Staff Recommendation

Staff recommends execution of the agreement.

Supporting Documents

1. HSAM - City of Melissa Investment Advisory Agreement Aug2026 Partially Executed.pdf

AGREEMENT
FOR
INVESTMENT ADVISORY SERVICES
BY AND BETWEEN
THE CITY OF MELISSA, TEXAS
AND
HILLTOP SECURITIES ASSET MANAGEMENT, LLC

This Investment Advisory Agreement (the "**Agreement**") is made by and between The City of Melissa, Texas (the "**Investor**") and Hilltop Securities Asset Management, LLC ("**HSAM**"), effective as of September 1, 2026, (the "Effective Date").

I. Terms and Conditions

This Agreement sets forth the terms and conditions governing the relationship of the Investor to HSAM with respect to securities and money that the Investor holds, from time to time, and that are available for investment or reinvestment (the "**Portfolio**"). This Agreement shall apply to any and all investable funds and securities in the Investor's Portfolio during the period in which this Agreement shall be in effect.

II. Investment Advisory Services

A. **Services.** With respect to the Portfolio, HSAM will provide investment advisory services and cause to be executed such trades as determined in accordance with Section II. B below. HSAM agrees to provide professional services and its facilities and to direct and coordinate all programs of investing as may be considered and authorized by the Investor and to assume and pay those expenses incurred by HSAM in connection with the execution of investment decisions. Specifically, HSAM agrees to perform the following duties:

1. Review the Investor's policy and cash flow projections;
2. Recommend appropriate strategies based upon policy guidelines and cash flow requirements;
3. Advise the Investor on current market conditions and other general information;
4. Analyze risk/return relationships between various investment alternatives;
5. Attend meetings of the governing body of the Investor, its staff, representatives, or committees as requested by the Investor when the subject of investments is to be discussed;
6. Assist in the selection of investment securities and, as directed by the Investor, cause the transactions to be executed;
7. Advise on the investment of the Portfolio in a manner consistent with the Investor's investment policy, the proceedings of the Investor authorizing the investment of the bond funds, and applicable state and federal rules and regulations;
8. Promptly send (or cause to be sent) trade confirmations to the Investor; and
9. Assist the Investor in the creation of quarterly investment reports as required by written investment policy, stated procedures and/or state law.

B. **Scope of Investment Decisions.** In performing the services listed in Section II. A above, HSAM shall not have discretionary authority and, accordingly, shall obtain approval from the Investor for the purchase or sale of securities prior to execution. The Investor hereby represents and acknowledges that its written investment policy and investment strategy includes its investment objectives and all portfolio limitations and restrictions, including, without limitation, acceptable levels of investment risk. The Investor also agrees to notify HSAM in writing ten (10) business days in advance of the implementation of any changes in the Investor's investment objectives, investment limitations, and/or financial condition.

C. **Standard of Care.** In the performance of its duties, HSAM shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of such person's own affairs, not for speculation, but for investment, considering, with regard to the entire Portfolio rather than any particular investment or security, the probable safety of capital and the probable income to be derived.

D. **Settlement of Securities.** The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the Investor's safekeeping agent. By so doing, Investor's funds will be released when and if the Investor has received, through the safekeeping agent, the designated securities purchased.

E. **Hold Harmless.** To the extent permitted by applicable state law, the Investor hereby agrees to indemnify and hold harmless HSAM, as well as any of its officers, directors, shareholders, affiliates, general partners, employees, agents and trustees, from (i) charges incurred by HSAM on the Investor's behalf and (ii) for any and all market losses arising with respect to the Portfolio.

F. **Return on the Portfolio.** The Investor expressly affirms and acknowledges that HSAM has not promised or guaranteed any stated or specified return on, or performance of, the Investor's investment portfolio.

III. Representations

A. HSAM represents that it is registered as an investment advisor under the Investment Advisers Act of 1940 (the "**Advisers Act**") and is authorized and empowered to enter into this Agreement.

B. The Investor represents and confirms that (1) the Investor has full power and authority to enter into this agreement; (2) the terms hereof do not violate any obligation by which the Investor is bound, whether arising by contract, operation of law, or otherwise; and (3) this Agreement has been duly authorized and will be binding on Investor according to its terms.

C. The Investor agrees to:

1. Provide HSAM with the schedule of estimated cash flow requirements related to the Portfolio, and promptly notify HSAM as to any changes in such estimated cash flow schedule;

2. Provide HSAM, not less than monthly, with all relevant custodial, safekeeping and bank statements relating to all of the Portfolio; and

3. Allow HSAM to rely upon all information regarding schedules or other information pertaining to the Portfolio as provided to it by the Investor as being true and accurate. HSAM shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information and HSAM will not undertake to authenticate any such information.

D. The Investor recognizes that there may be loss or depreciation of the current liquidation, immediate and ongoing value of any investment due to the fluctuation of market values. The Investor represents that no party to this Agreement has made any guarantee, either oral or written, that the Investor's investment objectives will be achieved. HSAM shall not be liable for any error in judgment and/or for any investment losses in the Portfolio in the absence of willful malfeasance, gross negligence, or violation of applicable law. Nothing in this Agreement shall constitute a waiver or limitation of any rights that the Investor may have under applicable state or federal law including without limitation, the state and federal securities laws.

E. Investor represents and acknowledges that Investor has reviewed and understands the risk factors and fees associated with the Portfolio.

IV. Fees and Costs of HSAM

As consideration for the services provided by HSAM under this Agreement, HSAM will be entitled to a fee (the "**Advisor Fee**") determined in accordance with the schedule set forth in the fee schedule ("**Schedule A**"), a copy of which is attached hereto, is incorporated herein for all purposes and is being delivered to the Investor simultaneously with the execution, and as an integral part, of this Agreement. The obligation of HSAM to pay or incur expenses shall not include any costs incident to litigation, mandamus action, regulatory investigation, test case or other similar legal actions.

V. Reporting and Account Statements

HSAM will deliver or cause to be delivered to the Investor confirmation of transactions and/or periodic statements for the Portfolio as set forth in this Agreement. HSAM will also provide the Investor with an annual valuation of the Investor's Portfolio and any additional statements that may be required by applicable law, including the reporting provisions of the Public Funds Investment Act, or other applicable state law, with respect to transactions effected under this Agreement.

VI. Other Services

The investment advisory services provided hereunder by HSAM to the Investor are exclusive of any other services that HSAM may provide to the Investor.

VII. Execution of Investment Transactions

A. **Affiliated Broker.** HSAM is affiliated through common ownership and control with Hilltop Securities Inc. ("**Hilltop**"), a broker/dealer registered with the Financial Industry Regulatory Authority. ("**FINRA**"), the U.S. Securities and Exchange Commission ("**SEC**"), and various state and territorial regulatory authorities. Investor hereby authorizes HSAM to effect transactions for the Portfolio by execution through Hilltop. Where transactions are effected through Hilltop, Hilltop may act on an agency or principal basis to the extent permitted by law. Pursuant to Rule 206(3) of the Advisers Act, HSAM will obtain the Investor's consent on each investment transaction to allow Hilltop to act as a principal in acquiring a security to facilitate a trade. Fees for advisory services will be billed separately in accordance with the terms of this Agreement.

B. **Bundling of Investment Transactions.** Transactions for each Investor account generally will be effected independently unless HSAM decides to purchase or sell the same securities for several investors at approximately the same time. HSAM may (but is not obligated to) combine or "batch" such orders to obtain best execution. Under this procedure, transactions will be averaged as to price and will be allocated among HSAM investors included in the "batch" group in proportion to the purchase and sale orders placed for each Investor in batch transactions.

VIII. Selection of Brokers

The Investor agrees that when HSAM effects or places orders for the execution of transactions for the Portfolio (other than situations where the Investor specifically instructs otherwise in writing), HSAM may allocate such transactions to such brokers and dealers for execution in such markets, at such prices that in the judgment of HSAM will be in the best interests of the Investor, taking into consideration, in the selection of such brokers and dealers, the available prices and rates of brokerage commissions and other relevant factors, without having to demonstrate that such factors are of a direct benefit to the Investor. Subject to the foregoing, HSAM will arrange for the execution of securities transactions for the Portfolio through brokers or dealers that HSAM reasonably believes will provide best execution.

IX. Non-Exclusive Relationship

The Investor hereby acknowledges that HSAM's services under this Agreement are nonexclusive, and that HSAM shall be free to render the same or similar services to other investors. The Investor further acknowledges that HSAM's advice is specific to each individual investor's investment objectives, limitations and financial condition. Therefore HSAM, in the performance of its investment advisory duties, may give advice to, and take action on behalf of, other investors that may differ from the advice given, or the timing and nature of the action taken, with respect to the Investor's Portfolio. Nothing in this Agreement shall be deemed to impose upon HSAM any obligation to purchase or sell, or to recommend for purchase or sale for the Investor's Portfolio, any security that HSAM or its affiliates may purchase or sell, for their own account or for the accounts of any other investor if, at the sole discretion of HSAM, it is for any reason undesirable or impractical to take such action or make such recommendation for the Investor's Portfolio. The Investor also acknowledges that HSAM has varying fee structures and arrangements with other investors and may charge their investors different fees, which may be higher or lower than the fees charged with respect to the Investor's Portfolio for similar services.

X. Instructions from the Investor

HSAM will rely on all instructions (whether oral or written) given by the Investor or its agents that HSAM believes to be genuine. HSAM's records of such a transaction will be conclusive as to the content of any instruction. Instructions may be given to HSAM by any officer or agent authorized by (1) the investment policy; (2) a duly executed "Authorization to Trade Public Funds" form provided by HSAM; or (3) a resolution of the governing body of Investor. HSAM will rely on such authorization until written notice to the contrary is delivered to HSAM by the Investor; and if the Investor does not deliver appropriate authorizing documentation, HSAM will accept instructions from any person reasonably believed by HSAM to be an officer of the Investor. To the extent permitted by applicable state law, the Investor agrees to hold harmless, and to indemnify and defend HSAM, as well as any of its officers, directors, shareholders, affiliates, general partners, employees, agents, and trustees, against any and all losses sustained by HSAM resulting from or by reason of any and all claims, liabilities, losses, damages, charges, costs, fees, and expenses (including, without limitation, attorney fees and costs, including fees of attorneys who may be HSAM employees or employees of HSAM's affiliates) arising out of or in connection with any action taken in reliance upon any instruction or inquiry believed genuine.

XI. Transactions Subject to Industry Regulations and Standards

All transactions shall be subject to the regulations of all applicable government authorities and self-regulatory agencies including, but not limited to, the constitutions and rules of the clearing agent, exchange, or market where executed. The Investor understands that HSAM is registered as an investment advisor under the Advisers Act, and as such is obligated to comply with all applicable laws and regulations, including those of the SEC and other regulatory and self-regulatory authorities, and agrees that HSAM shall not be liable to the Investor as a result of any action taken by HSAM to comply with any ruling, interpretation, or directive

of any such regulatory authority. Further, Investor understands and agrees that HSAM will not accept any instructions from Investor that would require a violation of any such rules or regulations.

XII. Assignment

Neither HSAM nor the Investor may assign any of its rights, authorizations, or obligations under this Agreement without the prior written consent of the other party.

XIII. Term and Investor's Right of Cancellation

The term of this Agreement shall begin September 1, 2026, and shall continue for a period of two (2) years, ending on August 31, 2028, after which time this contract may be renewed for three (3) additional one-year periods upon approval by both parties. Either party may terminate this Agreement, upon delivering to the other party, thirty (30) calendar days' prior written notice. In the event of termination, it is understood and agreed that only the amounts due to HSAM for services provided and expenses incurred up to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In addition, the parties hereto agree that upon termination of this Agreement, HSAM shall have no continuing obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

XIV. Custodial Arrangements

Custody of Portfolio assets shall be maintained with a custodian selected by Investor and identified to HSAM (the "Custodian"). HSAM shall not have custody of any assets in the Portfolio. Investor will be solely responsible for paying all fees or charges of the Custodian. Investor authorizes HSAM to give Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Portfolio.

XV. Miscellaneous

A. **Notices to the Investor.** All written communication to the Investor shall be sent to the Investor's address as set forth on the signature page hereof or as directed in writing to HSAM by the Investor. Any notice, statement, or other communication mailed to the Investor by HSAM in accordance with this section will be deemed to be given to the Investor personally on the date it is so mailed, whether or not it is actually received by the Investor.

B. **Notices to HSAM.** Any notice, statement, or other communication from the Investor to HSAM under this Agreement must be in written form and will be deemed to be given to HSAM upon actual receipt thereof by HSAM, whether such notice was mailed, personally delivered, or telecopied to:

Hilltop Securities Asset Management, LLC
2700 Via Fortuna, Suite 410
Austin, TX 78746
Attention: Scott McIntyre
Fax Number: (512) 481-2020
E-Mail: Scott.McIntyre@HilltopSecurities.com

C. **Confidential Relationship.** All of the information and advice furnished by either party to the other under this Agreement, including their respective agents and employees, will be treated as strictly confidential by each party and will not be disclosed to third parties under any circumstances except as required by law.

D. **Limitations of Liability.** Federal and state securities laws impose liabilities under certain circumstances on persons who do not act in good faith and, therefore, nothing in this Agreement shall, in any manner, constitute a waiver or limitation of any rights that the Investor may have under federal and state securities laws.

E. **Indemnity.** To the extent permitted per applicable state law, the Investor will indemnify HSAM, for any loss, liability, or expense (including attorney's fees) that HSAM may incur as a result of, or arising from, any claims asserted by any third party with respect to the Portfolio or the services rendered by HSAM under this Agreement, except in cases of gross negligence or willful misconduct by HSAM in managing the Investor's Portfolio.

F. **Inconsistent Provisions; Agreements.** If any provisions of this Agreement should become or be found to be inconsistent with laws, rules, or regulations of any government or regulatory body having jurisdiction over the subject matter herein, such provisions shall be deemed modified or rescinded in accordance with any such laws, rules, or regulations. To the extent that the provisions of this Agreement are inconsistent with the provisions of any account agreement or clearing agreement with HSAM or its clearing agent, as the case may be, then the terms of such account agreement or clearing agreement shall govern and such terms shall supersede the inconsistent terms herein.

G. **Invalid Provisions.** If any provision or condition of this Agreement shall be held to be invalid or unenforceable by any Court, or regulatory or self-regulatory authority, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected, and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.

H. **Waiver of Terms.** HSAM's failure to insist at any time upon strict compliance with any terms of this Agreement shall not constitute a waiver of any of HSAM's rights as described herein.

I. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without regard to its principles of conflicts of laws.

J. **Extraordinary Events.** Neither HSAM nor any of its officers, directors, shareholders, affiliates, general partners, employees, agents, or trustees shall be liable for losses caused directly or indirectly by government restrictions, exchange or market actions, suspensions of trading, wars, strikes, delays in the transmission of orders due to breakdown or failure of transmission or communication facilities, or any other causes beyond HSAM's reasonable control or anticipation.

K. **Written Disclosure Statement.** Simultaneously with the execution of this Agreement, HSAM has delivered to the Investor Part II of its Form ADV as filed with the SEC, or a similar disclosure document, as its brochure pursuant to Rule 204.3 of the Advisers Act. The Investor's execution of this Agreement shall be deemed acknowledgment of receipt thereof.

L. **Verification of Information.** The Investor represents and warrants to HSAM that all information furnished to HSAM in connection with the opening of the Portfolio (and all documents supplied by the Investor in this regard, including financial statements) are true, complete, and correct. HSAM is entitled to rely on this information until HSAM receives written notice of any change, which the Investor agrees to furnish promptly should any material changes occur.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. THE NEXT PAGE IS A SIGNATURE PAGE.]

By signing this Agreement, the undersigned Investor acknowledges receipt of a copy of this Agreement, including Schedule A.

[INVESTOR]

_____ Click here to enter a date.
Signature of Investor Date

_____
Printed Name

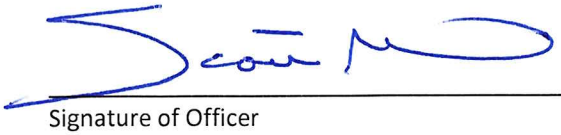
_____
Capacity of Signatory

_____
Address

_____

_____

HILLTOP SECURITIES ASSET MANAGEMENT, LLC


Signature of Officer August 14, 2026
Date

Scott McIntyre
Printed Name

Managing Director
Capacity of Signatory

SCHEDULE A

FEE SCHEDULE AND EXPENSE ITEMS

As compensation for HSAM's professional services, the Investor agrees to a fixed annual fee of $36,000 per year for the initial two-year period of the contract. The annual fee shall be billed in equal installments of $9,000 per quarter following the conclusion of each calendar quarter. In the event the Investor chooses to extend the contract at the end of the initial two-year period, the annual fee will increase by $1,500 per year at each renewal.

The above fee includes all costs associated with investment management. Safekeeping and banking fees will remain the responsibility of the Investor.