

**ORDINANCE NO. 2026-01**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PAYNE SPRINGS, TEXAS CALLING A BOND ELECTION TO BE HELD ON MAY 2, 2026, WITHIN THE CITY OF PAYNE SPRINGS, TEXAS; MAKING PROVISIONS FOR THE CONDUCT AND THE GIVING OF NOTICE OF THE ELECTION; AND CONTAINING OTHER PROVISIONS RELATED THERETO**

STATE OF TEXAS §  
COUNTY OF HENDERSON §  
CITY OF PAYNE SPRINGS §

WHEREAS, the City Council (the “City Council”) of the City of Payne Springs, Texas (the “City”) has determined to call an election to be held in the City on May 2, 2026, to submit a proposition to voters in the City to determine whether the City Council shall be authorized to issue bonds of the City in the amount and for the purpose hereinafter set forth; and

WHEREAS, the City will enter into one or more interlocal agreements (collectively, the “Election Agreement”) with Henderson County, Texas (the “County”), by and through the county election officer or the county clerk (the “Administrator”), and possibly other political subdivisions, in accordance with the laws of the State of Texas (the “State”) and applicable federal law; and

WHEREAS, the City Council finds and declares that the meeting at which this Ordinance is considered is open to the public, and that the public notice of the time, place and purpose of the meeting was given, as required by Chapter 551, Texas Government Code, as amended; and

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PAYNE SPRINGS, TEXAS:**

Section 1. Findings. The statements contained in the preamble of this Ordinance are true and correct and are hereby adopted as findings of fact and as a part of the operative provisions hereof.

Section 2. Election Ordered; Date; Proposition. An election (the “Election”) shall be held for and within the City on Saturday, May 2, 2026 (“Election Day”), in accordance with the Texas Election Code, as amended (the “Code”), and other applicable law. At the Election, the following proposition (“Proposition A”) shall be submitted to the qualified voters of the City in accordance with law:

**CITY OF PAYNE SPRINGS, TEXAS - PROPOSITION A**

Shall the City Council of the City of Payne Springs, Texas, be authorized to issue general obligation bonds of the City in the amount of \$1,900,000 for the purpose of refunding all or a portion of the principal, interest, and redemption premium on previously issued debt of the City, to wit: “City of Payne Springs, Texas Tax Note, Series 2022”, dated November 1, 2022; said bonds to mature serially or otherwise over a period not to exceed fifteen (15) years from their date, to be issued in such

installments and sold in one or more series at any price or prices and to bear interest at any rate or rates (fixed, floating, variable or otherwise) as shall be determined within the discretion of the City Council at the time of issuance or sale of the bonds; and shall the City Council of the City be authorized to levy and pledge, and cause to be assessed and collected, annual ad valorem taxes, within the limitations prescribed by law, on all taxable property in said City sufficient to pay the principal of and interest on the bonds?

Section 3. Official Ballot. The official ballot for the Election shall be prepared in accordance with and conform to the requirements of the Code so as to permit the electors to vote “FOR” or “AGAINST” the aforesaid Proposition A which shall be set forth on the ballot substantially in the following form:

**CITY OF PAYNE SPRINGS, TEXAS - PROPOSITION A**

THIS IS A TAX INCREASE

[ ] For	)	The issuance of \$1,900,000 general obligation bonds for the
	)	purposes of refunding all or a portion of the principal,
	)	interest, and redemption premium on previously issued debt
[ ] Against	)	of the City, to wit: “City of Payne Springs, Texas Tax Note,
	)	Series 2022”, dated November 1, 2022, and the imposition
	)	of taxes sufficient to pay the principal of and interest on the
	)	bonds.

Section 4. Persons Qualified to Vote. All resident, qualified electors of the City shall be eligible to vote at the Election.

Section 5. Election Voting Locations and Voting Hours on Election Day. The Election Day polling places shall be as shown in Exhibit A to this Ordinance. Exhibit A shall be modified to reflect any alterations or changes in or additions to polling places required to conform to the Code or the Election Agreement or as directed by the City Secretary of the City (the “City Secretary”). On Election Day, all electors shall vote a ballot appropriate for the precinct of their residence. On Election Day, the polls shall be open from 7:00 a.m. to 7:00 p.m.

Section 6. Early Voting Locations, Dates and Times. Early voting by personal appearance shall be held at the locations, at the times and on the days set forth in Exhibit B, or at such other locations as hereafter may be designated by the City Secretary or the Administrator. During the time period for early voting by personal appearance, all electors shall vote a ballot appropriate for the precinct of their residence at any location shown on Exhibit B. Exhibit B shall be modified to reflect any alterations or changes in or additions to early voting polling places or times for early voting required to conform to the Code or the Election Agreement or as directed by the City Secretary or the Administrator.

The Administrator is hereby designated as the Early Voting Clerk. The Administrator’s contact information/delivery addresses for applications for ballots to be voted by mail and other matters related to the Election is as follows:

**Name:** Paula Ludtke, Henderson County Election Administrator  
**Official Mailing Address:** 201 J East Larkin Street, Athens, Texas 75751  
**Physical Address:** 201 J East Larkin Street, Athens, Texas  
**E-mail Address:** [hcelections@henderson-county.com](mailto:hcelections@henderson-county.com)  
**Phone Number:** (903) 675-6149  
**Fax Number:** (903) 675-6101  
**Website Address:** <https://www.henderson-county.com/departments/elections-voter-registration>

Section 7. Appointment of Election Officers. Prior to the Election Day, the election judges, alternate judges, clerks and other personnel necessary for conducting the Election will be appointed by the Administrator, and the election judges and alternate judges may be changed, pursuant to decisions of the Administrator. The Administrator shall also be responsible for establishing the central counting station for the ballots cast in such election and appointing the personnel necessary for such station. The City Council hereby authorizes each of the Mayor, City Secretary and/or any of their designees (collectively, the “Authorized Representatives”) to appoint any such other officials not designated herein or appointed by the Administrator as are necessary and appropriate to conduct the Election in accordance with the Code.

Section 8. Notice of Election; Voter Information Document. Notice of the Election shall be given in the manner required by the Code and other applicable law. A voter information document for Proposition A in the form attached hereto as Exhibit C is hereby approved, together with such revisions as may be approved by the Authorized Representatives and shall be posted in accordance with law. The City’s website may be accessed at the following address: <https://paynespringstx.com/>. To the extent required by law, notice of the Election shall include such address.

Section 9. Bilingual Election Materials. All notices, instructions, and ballots pertaining to the Election shall be furnished to voters in both English and Spanish and persons capable of acting as translators in both English and Spanish shall be made available to assist Spanish language speaking voters in understanding and participating in the election process.

Section 10. Conduct of Election; Voting Machine. The Election shall be conducted by election officers, including the election judges and alternate judges or clerks appointed by the Administrator, in accordance with the Election Agreements, the Code and the Constitution and laws of the State and the United States of America. The Authorized Representatives are authorized to enter into, execute and deliver one or more Election Agreements, in accordance with applicable provisions of the Code. The terms and provisions of each Election Agreement are hereby incorporated into this Ordinance. To the extent of any conflict between this Ordinance and an Election Agreement, the terms and provisions of the Election Agreement shall prevail, and the Authorized Representatives are authorized to make such corrections, changes, revisions and modifications to this Ordinance, including the exhibits hereto, as are deemed necessary or appropriate to conform to the Election Agreement, to comply with applicable State and federal law and to carry out the intent of the City Council, as evidenced by this Ordinance.

In accordance with the Chapter 123 of the Code, an accessible electronic voting system shall be used for the Election, including early voting. At least one accessible voting device approved and certified by the Texas Secretary of State shall be provided in each polling place and in every polling location used to conduct the Election. Said approved and certified accessible electronic voting system shall be supplied for the Election by the County, acting by and through the Administrator. The sealed ballot box procedure established by Subchapter C, Chapter 127, of the Code, shall be used for the Election.

Section 11. Necessary Actions. The Mayor and the City Secretary, in consultation with bond counsel and any other legal counsel are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein.

Section 12. Mandatory Disclosure of Information.

(a) Pursuant to Section 3.009 of the Code: (i) the proposition language that will appear on the ballot is set forth in Section 3 of this Ordinance, (ii) the purposes for which the bonds are to be authorized are set forth in Section 2 of this Ordinance, (iii) the principal amount of bonds to be authorized is set forth in Section 2 of this Ordinance, (iv) if the issuance of bonds is authorized by voters, taxes sufficient, within the limits prescribed by law, to pay the principal of and interest on the bonds may be imposed, as set forth in Section 2 of this Ordinance, (v) bonds authorized pursuant to this Ordinance may be issued to mature over a specified number of years (not to exceed the lesser of fifteen (15) years or the maximum number of years authorized by law) and bearing interest at the rate or rates (not to exceed the maximum rate authorized by law), as authorized by law and determined by the City Council, (vi) as of the date of the adoption of this Ordinance, the aggregate amount of outstanding principal of the City's debt obligations is \$1,935,000, and the aggregate amount of outstanding interest is \$235,995 and (vii) the City's ad valorem debt service tax rate as of the date of adoption of this Ordinance is \$0.157741 per \$100 of taxable property.

(b) Based upon market conditions as of the date of this Ordinance, the maximum interest rate for any series of the bonds is estimated to be 4.50%. Such estimated maximum interest rate is provided as a matter of information but is not a limitation on the interest rate at which the bonds, or any series thereof, may be sold. In addition, the estimate contained in this subsection (b) is (i) based on certain assumptions (including assumptions concerning prevailing market and economic conditions at the time(s) of issuance of the bonds) and derived from projections obtained from the City's financial advisor, (ii) subject to change to the extent that actual facts, circumstances and conditions prevailing at the time that the bonds are issued differ from such assumptions and projections, (iii) provided solely in satisfaction of the requirements of Section 3.009, Texas Election Code, and for no other purpose, without any assurance that such projections will be realized, and (iv) not intended to give rise to a contract with voters or limit the authority of the City Council to issue bonds in accordance with Proposition A submitted by this Ordinance.

Section 13. Severability. If for any reason any section, paragraph, subdivision, clause, phrase, word, or provision of this Ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word, or provision of this Ordinance, for it is the definite intent of the

City Council that every section, paragraph, subdivision, clause, phrase, work, or provision hereof be given full force and effect for its purpose.

Section 14. Effective Date. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall be effective immediately upon adoption.

*(Signature page follows.)*



**EXHIBIT A<sup>1</sup>**

**ELECTION DAY POLLING LOCATIONS  
(Between the hours of 7:00 a.m. and 7:00 p.m.)**

<b>On Election Day, Registered Henderson County Voters may vote at any Vote Center within the County.</b>			
Seven Points City Hall 715 South Seven Points Blvd. Seven Points, Texas 75143	Gun Barrel City Hall 1716 West Main Street Gun Barrel, TX 75156	Henderson County Election Office Entrance in Back of Building 201 East Larkin Athens, Texas 75751	Faith Baptist Church 13567 TX-31 Brownsboro, TX 75756
Payne Springs Fire Rescue Station 1 12650 TX-198 Gun Barrel City, TX 75156	Eustace High School Kirk Gym 318 FM 316 South Eustace, TX 75124	Chandler Community Center 811 State HWY 31 W Chandler, TX 75758	Caney City Fire Dept. 15241 Barron Road Malakoff, TX 75148

---

<sup>1</sup> Election Day Polling Locations subject to adjustment, as directed by the Administrator.

**EXHIBIT B<sup>2</sup>**

**EARLY VOTING POLLING LOCATIONS AND TIMES**

**For early voting, a voter may vote at any of the locations listed below:**

<b>Locations for Main Early Voting Polling Places Include Name of Building and Address</b>	<b>Days and Hours of Operation</b>
Henderson County Election Office 201 East Larkin Athens, Texas 75751	April 20, 2026 8:00 A.M. – 5:00 P.M. April 22, 2026 – April 24, 2026 8:00 A.M. – 5:00 P.M. April 27, 2026 – April 28, 2026 7:00 A.M. – 7:00 P.M.

<b>Locations for Branch Early Voting Polling Places Include Name of Building and Address</b>	<b>Days and Hours of Operation</b>
Chandler Community Center 811 State HWY 31 W Chandler, Texas 75758	April 20, 2026 8:00 A.M. – 5:00 P.M. April 22, 2026 – April 24, 2026 8:00 A.M. – 5:00 P.M. April 27, 2026 – April 28, 2026 7:00 A.M. – 7:00 P.M.
Gun Barrel City Hall 1716 West Main Street Gun Barrel City, Texas 75156	April 20, 2026 8:00 A.M. – 5:00 P.M. April 22, 2026 – April 24, 2026 8:00 A.M. – 5:00 P.M. April 27, 2026 – April 28, 2026 8:00 A.M. – 5:00 P.M.

---

<sup>2</sup> Early Voting Polling Locations subject to adjustment, as directed by the Administrator.

**EXHIBIT C<sup>3</sup>**

**VOTER INFORMATION DOCUMENT**

**CITY OF PAYNE SPRINGS, TEXAS - PROPOSITION A**

**THIS IS A TAX INCREASE**

- [  ] For ) The issuance of \$1,900,000 general obligation bonds for the  
) purposes of refunding all or a portion of the principal,  
) interest, and redemption premium on previously issued debt  
) of the City, to wit: "City of Payne Springs, Texas Tax Note,  
[  ] Against ) Series 2022", dated November 1, 2022, and the imposition  
) of taxes sufficient to pay the principal of and interest on the  
) bonds.

1. Principal of the debt obligations to be authorized	<b>\$1,900,000</b>
2. Estimated interest for the debt obligations to be authorized	<b>\$732,300</b>
3. Estimated combined principal and interest required to pay on time and in full the debt obligations to be authorized	<b>\$2,632,300</b>
4. Principal of all outstanding debt obligations of the City*	<b>\$1,935,000</b>
5. Estimated remaining interest on all outstanding debt obligations of the City*	<b>\$235,995</b>
6. Estimated combined principal and interest required to pay on time and in full all outstanding debt obligations of the City*	<b>\$2,170,995</b>
7. Estimated maximum annual increase in the amount of taxes that would be imposed on a residence homestead in the City with an appraised value of \$100,000 to repay the debt obligations to be authorized, if approved, based upon assumptions made by the governing body of the City	<b>\$0</b>
8. Other information that the City considers relevant or necessary to explain the foregoing information	<b>See major assumptions listed below.</b>

\*Outstanding debt obligations of the City includes debt obligations priced but not delivered as of the date of adoption of the Bond Election Ordinance (as defined herein).

<sup>3</sup> This Exhibit shall be updated by the Mayor or their designee(s) in consultation with the City's bond counsel as to legal sufficiency.

**Major assumptions for statements above, including statement 7:**

(1) Assumes amortization of the City’s debt obligations, including outstanding debt obligations and the proposed debt obligations:

<b>Term</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Proposed Debt Service</b>	<b>Total Proposed Debt Service + Existing Debt Service<sup>4</sup></b>
<b>15 Years</b>	<b>\$1,900,000</b>	<b>\$732,300</b>	<b>\$2,632,300</b>	<b>\$2,632,300</b>

(2) Assumes maximum amortization of the Bonds is 15 years.

(3) Assumes no change in estimated future appraised values within the City.

(4) Assumed interest rate on the debt obligations to be issued: 4.50%.

(5) Assumes that the City will maintain any optional homestead or other property tax exemptions.

(6) Assumes homestead will not qualify for idiosyncratic exemptions, including, but not limited to, the state-mandated homestead exemption for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

(7) Assumes that applicable law will not change to provide for mandatory property tax exemptions or property tax freezes that are not available under current law.

(8) Assumes municipal bond insurance will not be obtained for the proposed debt obligations.

(9) In accordance with Sections 1251.051-.052, Texas Government Code, the City’s debt obligations that are budgeted for payment and paid from nontax revenue sources are designated as self-supporting and excluded from the information concerning the City’s outstanding debt obligations above.

As required by Section 1251.052, Texas Government Code, this Voter Information Document has been prepared for Proposition A submitted to voters pursuant to an “Ordinance Calling a Bond Election for May 2, 2026 to be Held Within the City of Payne Springs, Texas; Making Provisions for the Conduct and the Giving of Notice of the Election; and Containing Other Provisions Related Thereto” (the “Bond Election Ordinance”). The foregoing estimates contained in this Voter Information Document are (i) based on certain assumptions (including the major assumptions listed above and assumptions concerning prevailing market and economic conditions at the time(s) of issuance of the bonds) and derived from projections obtained from the City’s financial advisor, (ii) subject to change to the extent that actual facts, circumstances and conditions prevailing at the time that the bonds are issued differ from such assumptions and projections, (iii) provided solely in satisfaction of the requirements of Section 1251.052, Texas Government Code, and for no other purpose, without any assurance that such projections will be realized, and (iv) not intended to (and expressly do not) give rise to a contract with voters or limit the authority of the City to issue bonds in accordance with Proposition A submitted by the City’s Bond Election Ordinance.

---

<sup>4</sup> Excludes principal and interest of outstanding bonds because outstanding bonds will be defeased with the proceeds of the Bonds.