CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, NOVEMBER 1, 2010
5:00 P.M.

A.1 CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY COUNCIL MEMBER CHIP ADAMI

A.4 APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF OCTOBER 18, 2010

Consent Agenda

B.1 CONSENT AGENDA
Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Resolutions

C.1 ** RESOLUTION NO. 5533*
Awarding a Bid to and Authorizing Execution of a Contract with Weisinger Water Well, Incorporated for Repair of the Shepherd Drive #1 Woodbine Well

C.2 ** RESOLUTION NO. 5534*
Authorizing Execution of a Professional Services Agreement with Timothy L. Morris, P.E. d/b/a Morris Engineers for Design of the Surface Water Distribution Pipeline East Project

Other Business

D.1 OTHER BUSINESS
Receive Presentation from Assistant City Manager Robby Hefton on the City of Sherman's Administrative Departments

D.2 ** OTHER BUSINESS*
Approve Quarterly Investment Reports for Period ending September 30, 2010

D.3 CITIZEN REQUESTS

D.4 MEDIA QUESTIONS

D.5 COUNCIL COMMENTS

Executive Session

E.1 EXECUTIVE SESSION

In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections"

Section 551.071 Consultation with City Attorney Concerning Pending or Contemplated Litigation:

(a) Receive the City Attorney's Briefing on Contemplated Litigation

Section 551.087 Deliberation Regarding Economic Development Negotiations

(a) Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:

(i) GlobiTech Incorporated

The Council reconvenes into General Session

F.1 OPEN MEETING

Reconvene into Open Meeting and consider action, if any, on items discussed in Executive Session

F.2 INTRODUCTION OF ORDINANCE NO. 5674

Designating a Certain Area as an Industrial Reinvestment Zone, City of Sherman, Texas, Providing for the Establishment of Agreements within the Zone, and Other Matters Relating Thereto; Providing Findings of Fact; Providing an Effective Date for the Commencement of the Reinvestment Zone and this Ordinance

F.3 ADJOURNMENT

COUNCIL CALENDAR

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. A.1

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Chip Adami, Council Member

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. A.3

INVOCATION BY COUNCIL MEMBER CHIP ADAMI

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. A.4

APPROVE MINUTES
OF THE REGULAR CITY COUNCIL MEETING OF OCTOBER 18, 2010

STATE OF TEXAS §

October 18, 2010

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on October 18, 2010.

MEMBERS PRESENT: **MAYOR BILL MAGERS; DEPUTY MAYOR WILLIE STEELE. COUNCIL MEMBERS ADAMI, HOWETH, SMITH, SOFTLY, WACKER.**

MEMBERS ABSENT: **NONE.**

CALL TO ORDER — **CALL TO ORDER**

Mayor Magers called the meeting to order at 5:00 p.m. The Pledge of Allegiance and the Invocation were given by Council Member Cary Wacker.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of October 4, 2010. Council Member Wacker moved to approve the Minutes as presented; Second by Council Member Adami. All present voted AYE.
MOTION CARRIED.

PROCLAMATION

"CHAMBER OF COMMERCE WEEK" – OCTOBER 18-22, 2010 — **CHAMBER OF COMMERCE WEEK (OCT. 18-22, 2010)**

Council Member Softly presented a proclamation to Traci Carlson, President of the Sherman Chamber of Commerce, designating October 18 through 22, 2010 as "Chamber of Commerce Week." Ms. Carlson thanked the Mayor, City Council, and City staff for their support.

She also introduced Janie Bates, Judy Gharis and Brad Douglass, Chamber Board Members, and Brittany Fulton, Event Coordinator.

CONSENT AGENDA — **CONSENT AGENDA**

The Council reviewed the Consent Agenda. Council Member Adami moved to approve the Consent Agenda, as presented. Second by Council Member Howeth. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 5531 – APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REFUNDING BONDS TO REFUND ALL OR A PORTION OF THE AUTHORITY'S REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2004 (INITIAL FACILITY PROJECT) AND THE AUTHORITY'S REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2008; APPROVING THE FORM OF OFFERING DOCUMENT TO BE USED IN THE MARKETING OF SUCH REFUNDING BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT — **RES 5531 TASWA BOND REFUNDING**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REFUNDING BONDS TO REFUND ALL OR A PORTION OF THE AUTHORITY'S REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2004 (INITIAL FACILITY PROJECT) AND THE AUTHORITY'S REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2008; APPROVING THE FORM OF OFFERING DOCUMENT TO BE USED IN THE MARKETING OF SUCH REFUNDING BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

Robby Hefton, Assistant City Manager/CFO, introduced Jason Hughes, First Southwest; Sara Tangen, McCall, Parkhurst & Horton, L.L.P.; and Dale Sissney, Texoma Area Solid Waste Authority Executive Director.

He explained that the issue is consideration for the City to approve and authorize TASWA through First Southwest, to review the market for six months to see if TASWA could capitalize on opportunities to refinance.

TASWA was originally funded with a $19 million facility and it now appears there is an opportunity for savings. The Resolution sets parameters by which debt can be reissued if the savings are at least 3.5%. Mr. Hefton said they have set the interest rate at 4.75% which would be a savings of about $600,000.

Mr. Hughes added that TASWA currently has two outstanding issues. The 2004 is the only issue they are reviewing, given the interest rates. There is no extension of debt and this involves no new money components. It is simply a refunding for savings for TASWA and their three member cities.

Mayor Magers reiterated that there is no new debt and he said TASWA is moving away from borrowing 20 year money for 5 year cells. This will make TASWA more of a "pay as you go" entity.

Council Member Adami asked about the rate differential. Mr. Hughes said the interest rate on the remaining 2004 bonds is about 5.35% and they would be considering refinancing at 4.25% or less. Mr. Hefton confirmed that the City has been able to get better interest rates on projects subsidized through the Texas Water Development Board.

ACTION TAKEN.

Motion by Council Member Adami to approve Resolution No. 5531, as presented. Second by Council Member Wacker.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 5532 – AUTHORIZING EXECUTION OF DEEDS FOR THE RESALE OF SIX TRACTS OF LAND WITHIN THE SHERMAN CITY LIMITS SEIZED FOR DELINQUENT TAXES

RES 5532 SALE OF PROPERTY FOR DELINQUENT TAXES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF DEEDS FOR THE RESALE OF SIX TRACTS OF LAND WITHIN THE SHERMAN CITY LIMITS SEIZED FOR DELINQUENT TAXES.
CONSENT AGENDA.

REQUEST TO ADVERTISE

ANNUAL SUPPLY OF CHEMICALS

ANNUAL SUPPLY OF CHEMICALS

The City Council approved the request to advertise for the annual supply of chemicals used primarily for the Water Treatment Plant and the Wastewater Treatment Plant. The chemicals will be used during FY 2010-2011.
CONSENT AGENDA.

SUBMERSIBLE PUMP FOR THE WASTEWATER TREATMENT PLANT HEADWORKS

WWTP HEADWORKS

The City Council approved the request to advertise for a submersible pump for the Wastewater Treatment Plant Headworks. One of the pumps at the Wastewater Treatment Plant has failed and requires immediate replacement.
CONSENT AGENDA.

OTHER BUSINESS

RECEIVE PRESENTATION FROM PARKS AND RECREATION ADMINISTRATOR KEVIN WINKLER ON THE GROUNDS MAINTENANCE DEPARTMENT

GROUNDS MAINT. UPDATE

Kevin Winkler, Parks and Recreation Administrator, presented an update on the Grounds Maintenance Department.

Currently the Grounds Maintenance Department mows, trims, and maintains 22 parks totaling 458 acres, 15 acres of City facilities, and 120 acres in West Hill Cemetery, for a total of 593 acres. The Department also performs burials at the Cemetery.

They prepare and facilitate sports fields for the many local organizations, including 30 fields that saw 2,762 games this year alone.

According to Mr. Winkler, the Department spends 26% of their time mowing and trimming parks, 24% of the time preparing sports fields, 18% mowing and trimming the Cemetery, 15% on repairs and vandalism, 10% on burials, and 7% on trash removal.

The Grounds Maintenance Department tries to maintain an eight day mowing cycle on the parks. However, sometimes special events prohibit this schedule.

Preparation of the sports fields includes games for the Sherman Independent School District baseball and softball

teams, Austin College softball team, Sherman Youth Sports, Texoma Soccer Association, and the Parks and Recreation sponsored events.

In the Cemetery, Mr. Winkler said there are almost 30,000 grave sites that must be maintained. They try to maintain the eight day cycle in the Cemetery too.

Mr. Winkler said the staff usually receives one major vandalism or graffiti incident each week. During the winter, one restroom in Fairview Park had all the sinks and three toilets broken off the wall. Deputy Mayor Steele verified that the restrooms are locked at approximately 10:30 p.m. each night and reopened about 7:30 a.m. or 8:00 a.m. The vandalized restroom was closed during the winter and the water was turned off.

George Olson, City Manager, assured the City Council that the vandalism also happens in the summer. Mr. Winkler added that the vandalism is a continuous cycle. Council Member Howeth verified that there has been an increase in park vandalism. She asked if the City could initiate a reward program to offer cash rewards for information. Mr. Winkler outlined several ways the staff is trying to combat the vandalism.

Mr. Winkler said the City handles approximately 160 burials annually, which require a minimum of four workers for four hours. Currently there are only three employees in the Cemetery area, so they borrow one worker from Grounds Maintenance.

Trash removal is a full-time job for one person, and that person spends each day emptying trash and picking up loose trash. During special events, additional personnel are required to help with the trash removal.

Based on the 2005 Parks Master Plan, Mr. Winkler said the national average was one full-time employee for every 10 to 11 acres. In 2005 the City was at one full-time employee for every 21 acres. Today, the City is at approximately one full-time employee for every 31 acres.

Mr. Winkler added that they must find ways to do the best job they can with the resources they have. Currently the Maintenance Superintendent has a Commercial Applicators License so the chemical applications process has been brought in-house. This has helped reduce the cost of chemical applications this year.

The Department is also testing the use of chemical applications around the headstones in the Cemetery to help reduce maintenance. They have reduced the number of seasonal employees by half to offset budget concerns. Schedules and hours have been modified to reduce overtime by 40%. One security camera has already been purchased

and they plan to purchase a second camera to help deter vandalism.

Council Member Howeth reiterated the possibility of creating a "crime watchers" program with a reward for information about vandalism. Mayor Magers verified that the penalty for vandalizing City property depends on the value of the damage. He asked if there is any way to increase the penalty. Brandon Shelby, City Attorney, said the City might be able to increase the penalty, but he would have to look into the issue.

Mayor Magers said the City could include an on-line camera that shows the park activity in "real time" on the City's website. He felt this would be a deterrent to vandalism. Mr. Olson said the City is following the newest trends in security cameras, but there are some ideas that he did not want to publicize. Council Member Adami added that if cameras are needed they should be purchased.

Mayor Magers verified that the stainless steel fixtures were less prone to vandalism. Council Members were concerned about the cost of vandalism in the City.

Mr. Hefton said the budget for those two Departments is approximately $1.5 million, therefore 15% of their time for repairs and vandalism amounts to over $200,000 annually.

DEVELOPMENT SVCS. & ANIMAL CONTROL UPDATE

<u>RECEIVE PRESENTATION FROM DEVELOPMENT SERVICES DIRECTOR SCOTT SHADDEN ON THE DEVELOPMENT SERVICES AND ANIMAL CONTROL DEPARTMENTS</u>

Scott Shadden, Director of Development Services, presented an update on Development Services and the Animal Control Departments.

Besides himself, the Development Services Department currently has four inspectors and an administrative assistant, and a budget of $561,000. Over the years, the number of employees has been reduced as the work load and the size of the City continues to grow.

This year they have issued 2,789 permits, including electrical, plumbing, mechanical, irrigation, building, and Certificates of Occupancy. Inspections include plan review and the review of all construction plans for compliance with the code and with the Comprehensive Master Plan. Currently the City is under the 2006 code series.

The Department also inspects sign placement for businesses and measures distances for alcohol permits. Substandard structures are demolished with assistance from the Solid Waste Department, the Legal Department, the Police Department, and the Fire Department. Community Development Block Grant funds are used to demolish several structures annually.

Mr. Shadden added that his Department provides administrative support to several boards and commissions, including the Historical Preservation Board, the Construction Board of Adjustments and Appeals, the Planning and Zoning Commission, and the Zoning Board of Adjustments.

In order to protect the citizens through proper construction and installation of equipment, the Department maintains licenses and registrations for contractors and tradesmen. This year there were 540 licenses and registrations.

This year the Department had 25,480 information requests, mostly for zoning and building permits.

Mr. Shadden also presented an update on the Animal Control Services. This Department has seven employees and an annual budget of $625,911. The Shelter received over 22,000 requests for information and filed more than 8,400 complaints this year. Complaints include animals at large; animal cruelty; animal bites; improper food, water or shelter; and delivery of traps. Animal Control employees also deal with livestock at large and deceased animals in the roadway. They have received 4,501 animals this year

The Department has logged 3,598 trips to service traps that have been loaned out to citizens. Deputy Mayor Steele verified that this is a free service offered to citizens. Mr. Shadden said the Animal Control Officers have other duties such as court appearances and control of livestock.

Council Members discussed the "relocation" of the six foot alligator from Pickens Lake in Herman Baker Park in 2009. Mr. Shadden added Animal Control Officers deal with many types of animals and this year they even received 50 chickens. There were 1,624 pet adoptions.

Mayor Magers added that in his interactions with the Animal Control Department, they always act in a professional and compassionate manner and he felt they are a great asset to Sherman.

Council Member Howeth asked about the most unusual animal the Shelter has had. Scott Parker, Chief Animal Control Officer, said the most unusual was probably a miniature kangaroo or a wallaby.

Council Member Adami verified that the City of Sherman's Animal Control fees are lower than other surrounding cities. Mr. Shadden said the staff plans to propose a small fee increase for Council consideration. Council Member Adami asked for copies of the presentations that have been presented at the City Council Meeting.

CONSIDER SCHEDULING THE CITY COUNCIL'S LONG-TERM PLANNING MEETING FOR FRIDAY, NOVEMBER 19, 2010 — **SCHEDULE LONG-TERM PLANNING MTG.**

Council Members decided to schedule a Long-Term Planning Meeting for Friday, November 19, 2010, at 9:00 a.m.

CITIZENS REQUESTS

CEMETERY COSTS — **CEMETERY COSTS**

Eugene Lund, 1815 Sandra, asked if the cost of burials was allowing the City to recover their costs. Mr. Hefton explained that the pie chart used earlier only included time and resources for the burials. Council Member Adami said Sherman's costs were below what other cities were charging and they weren't recovering their costs. That was the reason for the recent fee increase. Mayor Magers added that, with the last fee increase, Sherman should be at a "break-even" cost on the services.

MEDIA QUESTIONS

There were no media questions. — **MEDIA QUESTIONS**

COUNCIL COMMENTS

CITY OF SHERMAN SPECIAL ELECTION — **CITY OF SHERMAN SPECIAL ELECTION**

Council Member Smith said today is the first day of Early Voting for the City's Special Election. He urged all citizens to vote and to support the City's Amendments.

TEXAS RANGERS — **TEXAS RANGERS**

Council Member Wacker said "Go Rangers!" The Texas Rangers are in the American League Championship Series against the New York Yankees for the American League pennant. The winner of the series will advance to the World Series.

NEPHEW'S RETURN FROM MILITARY SERVICE — **NEPHEW'S RETURN FROM MILITARY SERVICE**

Council Member Howeth said her nephew Bobby, returned today from a tour of duty in Iraq and Afghanistan. He arrived home safe and sound, however a few members from this squadron did not return. She asked everyone to keep all of the men and women serving oversees in their prayers, that they will return safe and sound to their families.

ELEMENTARY SCHOOL WATER PROJECT — **ELEMENTARY SCHOOL WATER PROJECT**

Mayor Magers said for a school project, his oldest son is testing electrolytes in various drinks with a nine volt battery. He has tested Gatorade, Monster Energy Drink, and various other sports drinks to determine the number of electrolytes in each. He said there are more electrolytes in the City of Sherman's tap water than in any of the sports drinks.

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW) — **EXECUTIVE SESSION**

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

SECTION 551.071 **CONSULTATION WITH THE CITY ATTORNEY:**
RECEIVE ADVICE FROM THE CITY ATTORNEY FOR MATTERS RELATED TO THE LEGAL STRUCTURE OF THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION

SECTION 551.087 **DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS:**
DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM BUSINESS PROSPECTS AND DELIBERATE ANY OFFERS OR INCENTIVES TO THE BUSINESS PROSPECTS, INCLUDING THE FOLLOWING:
TAX ABATEMENT

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 5:43 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:44 p.m. and reconvened in Open Meeting.

OPEN MEETING **OPENING MEETING**
Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

ADJOURNMENT **ADJOURNMENT**
On Motion duly made and carried, the meeting adjourned at 6:44 p.m.

MAYOR

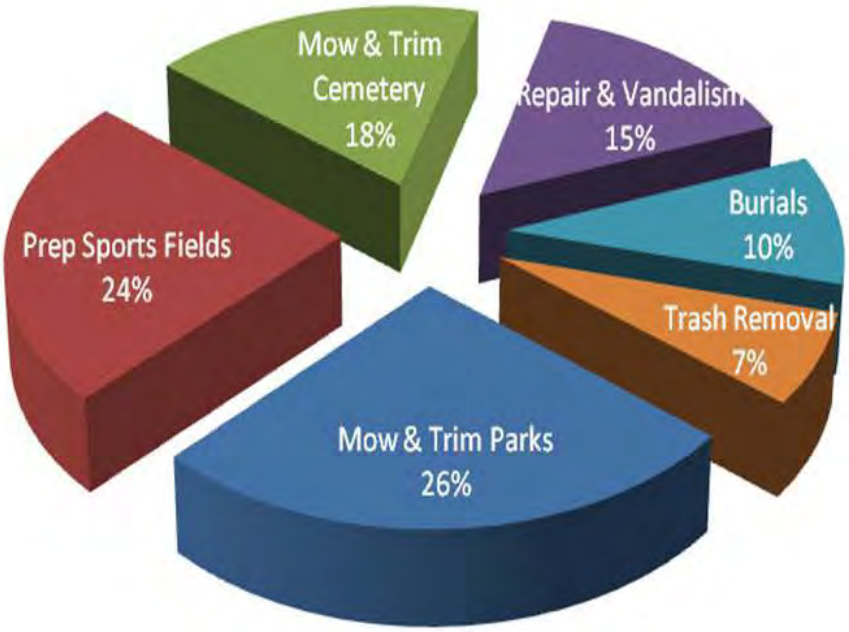
CITY CLERK

SHERMAN
PARKS & RECREATION

Parks Maintenance Responsibilities

- Mow, trim and maintain
  - 22 Parks totaling 458 acres
  - City Facilities 15 acres
  - Cemetery 120 acres – perform burials
  - Total 593 acres
- Prep and facilitate sports
  - 30 sports fields
  - 2,762 games

Parks & Cemetery Maintenance



Mow & Trim Parks

Sports Field Prep

Mow & Trim Cemetery

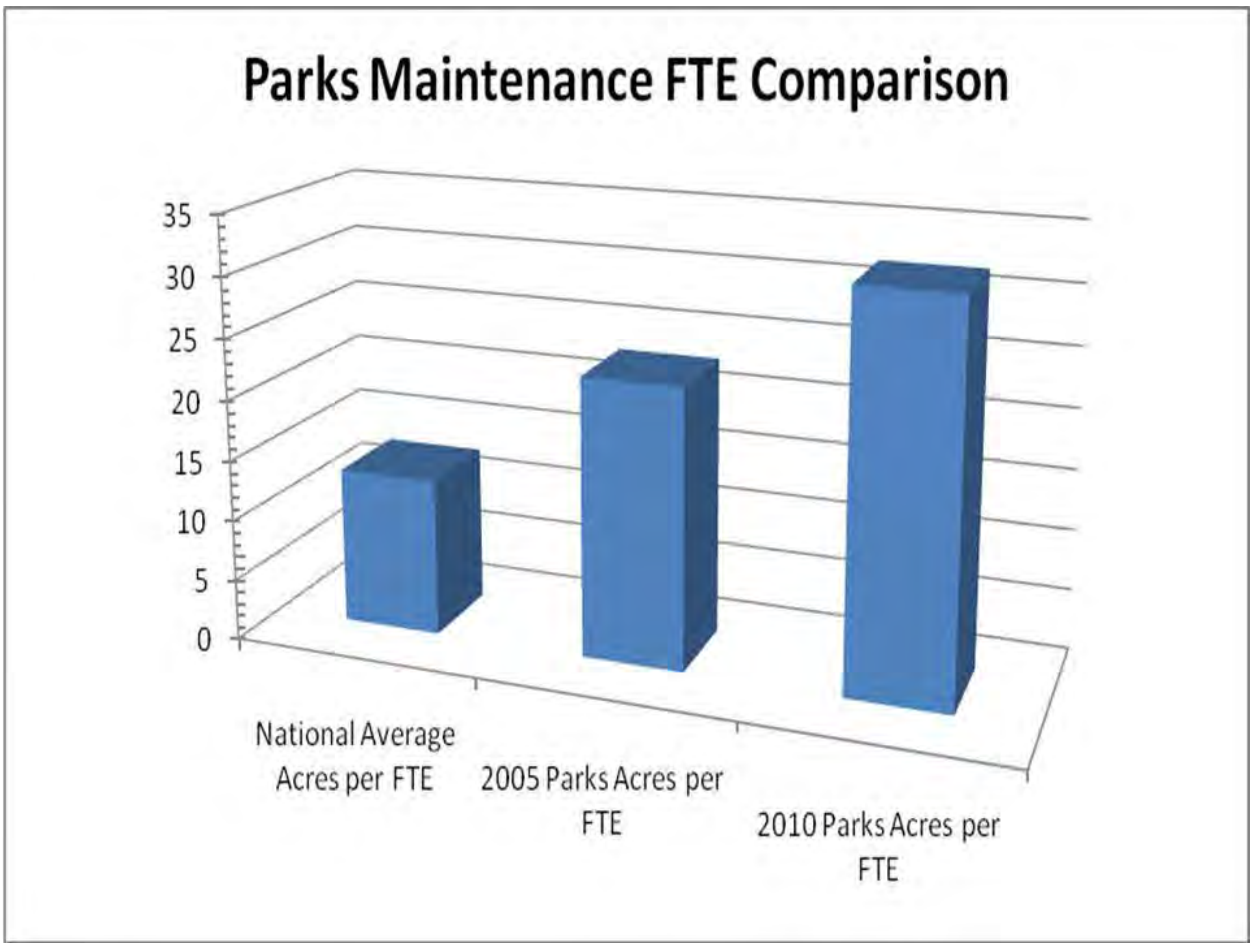
Repair & Vandalism
02.17.2010 08:56

Repair & Vandalism
WILKES' PITCH

Repair & Vandalism
10.14.2010 11:51

Burials

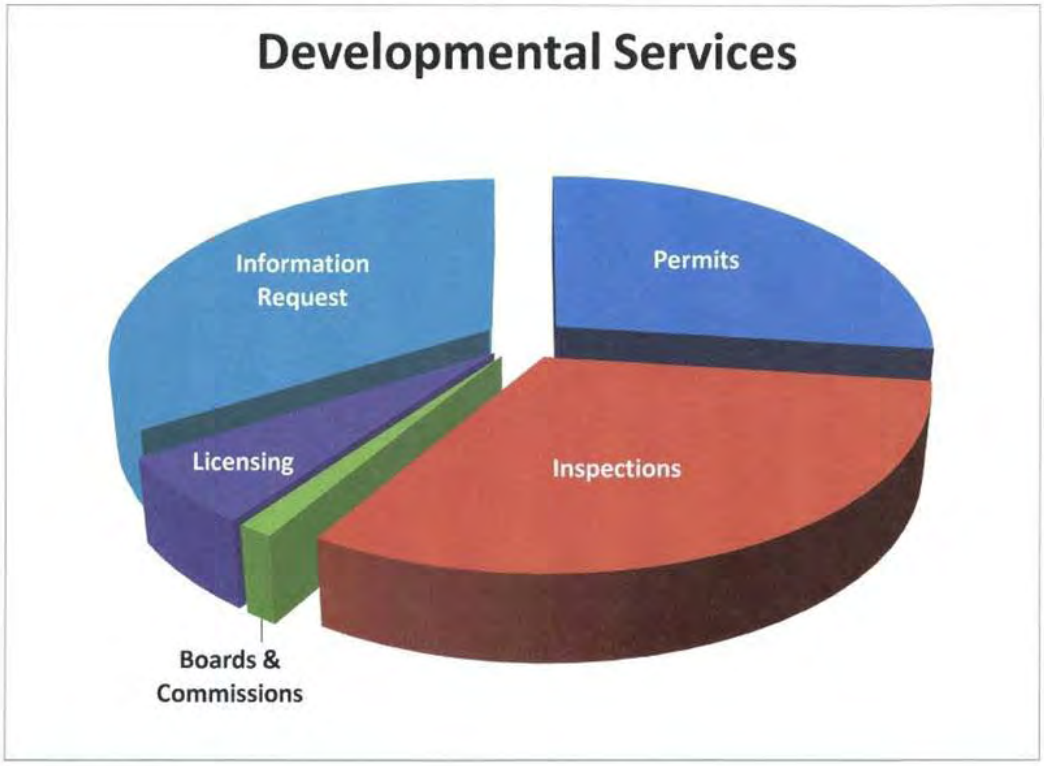
Trash Removal

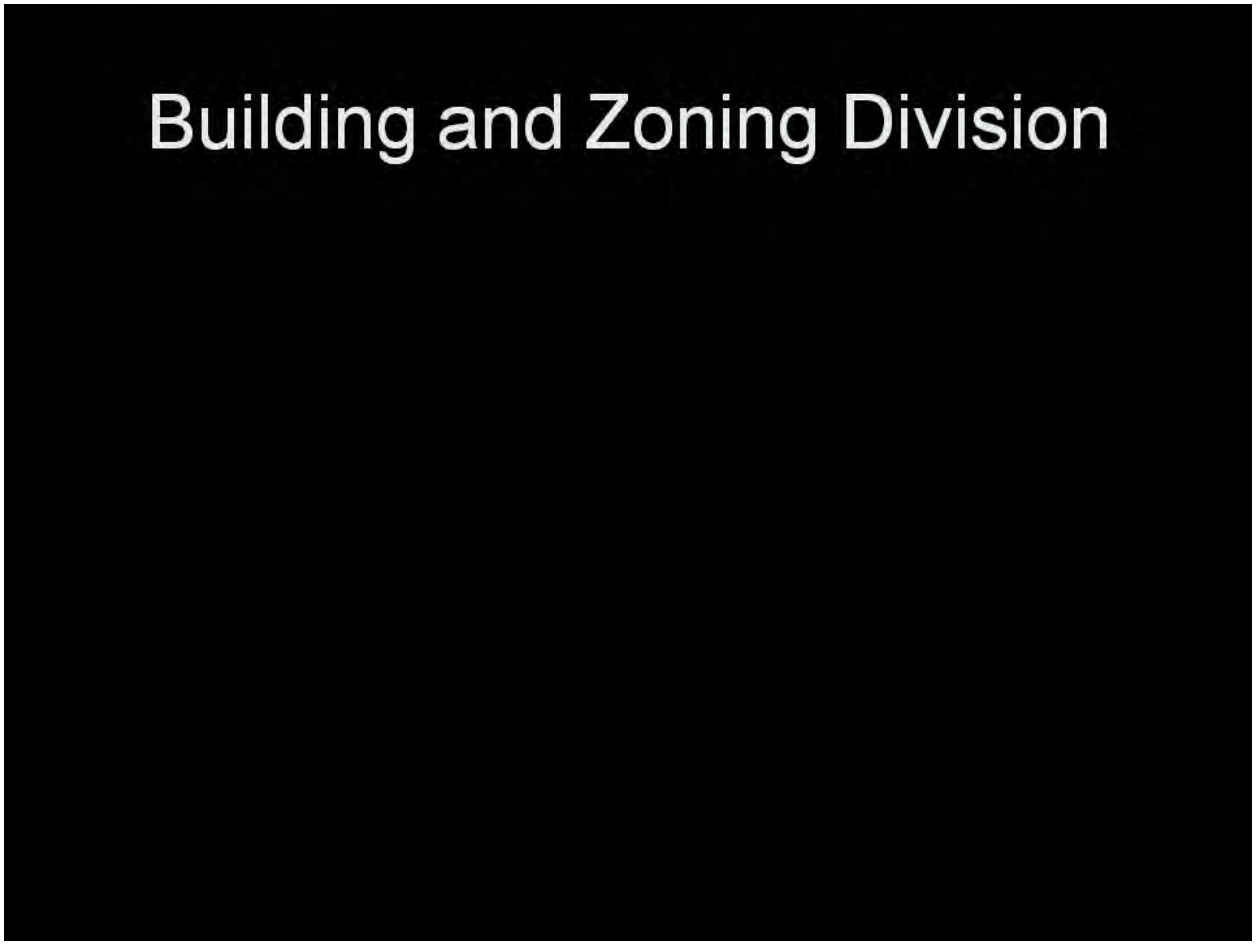

Parks Maintenance FTE Comparison
35
30
25
20
15
10
5
0
National Average Acres per FTE
2005 Parks Acres per FTE
2010 Parks Acres per FTE

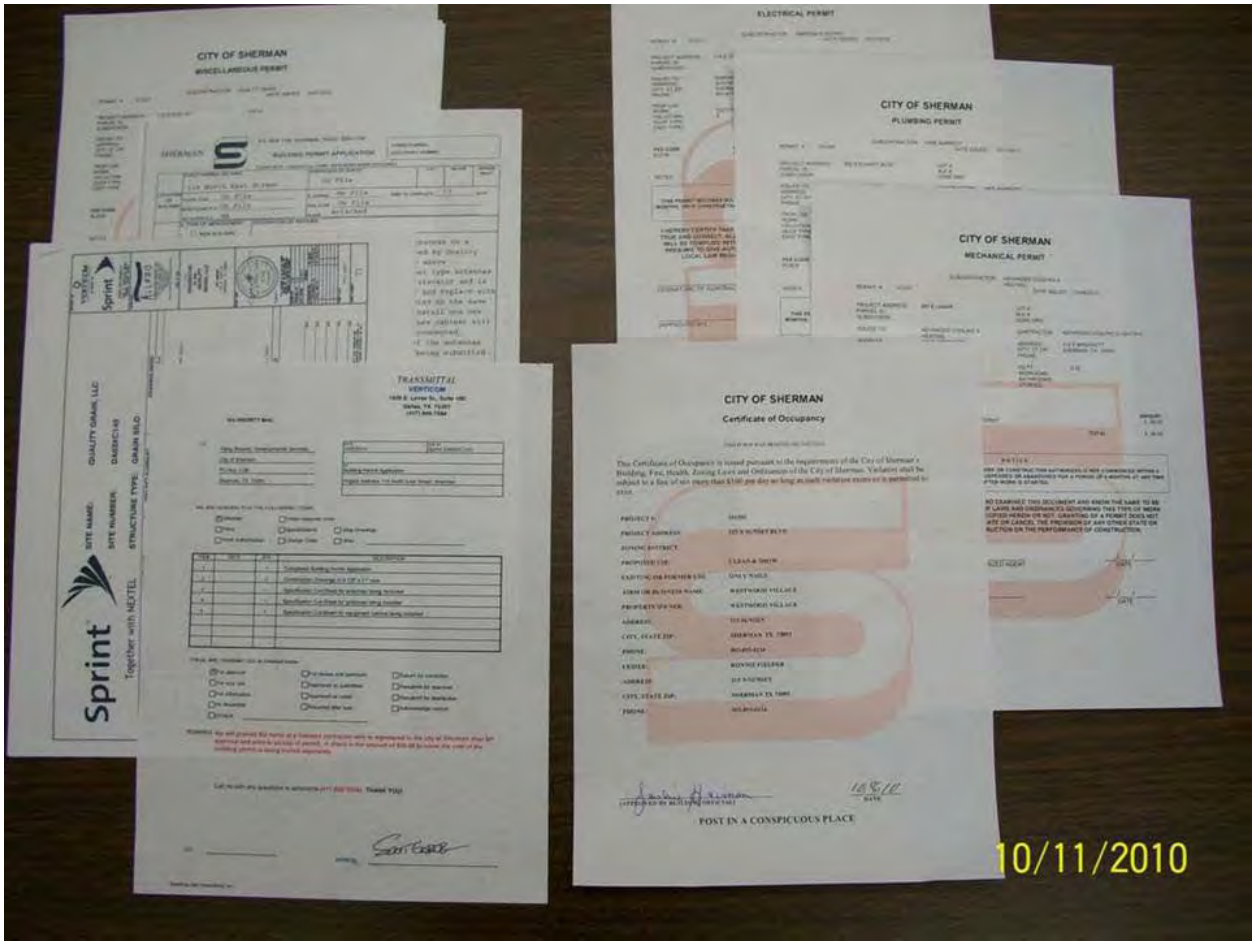
Cost Saving Measures

- Purchased equipment to allow in house chemical applications.
- Testing the use of chemical application to reduce maintenance.
- Reduced the number of seasonal employees.
- Modified schedules and hours to reduce overtime by 40%.
- Purchased security cameras and continually make changes to deter vandalism.

SHERMAN
PARKS & RECREATION

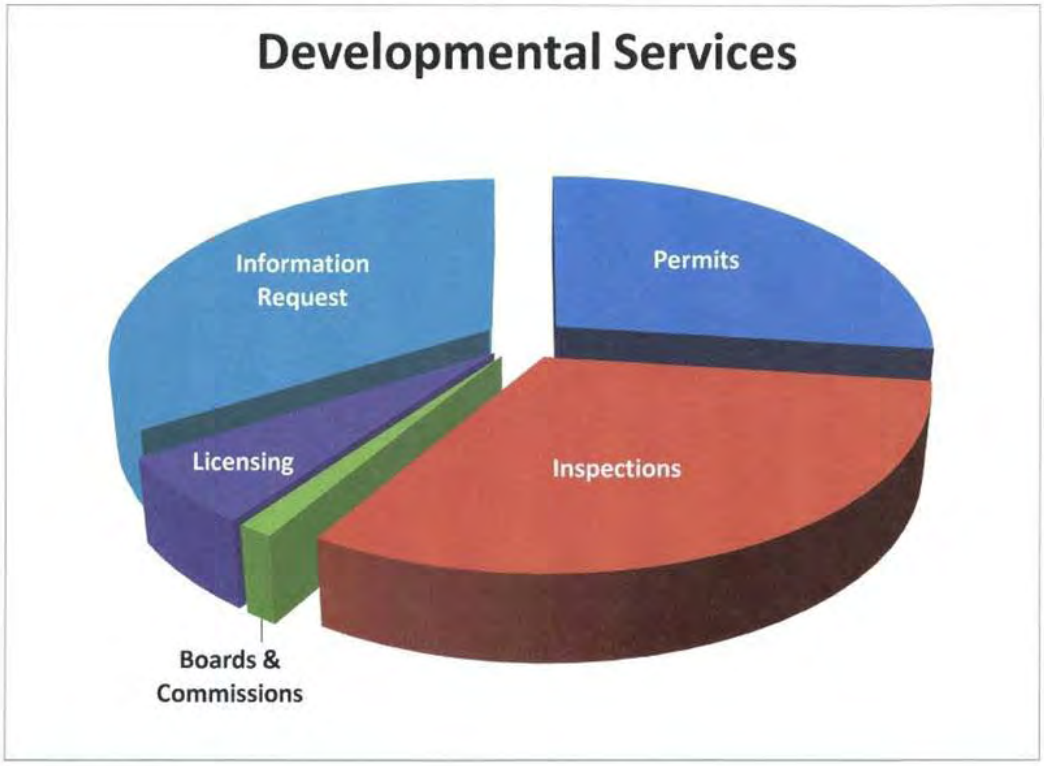

Developmental Services
Information Request
Permits
Licensing
Inspections
Boards & Commissions


Building and Zoning Division


CITY OF SHERMAN
MISCELLANEOUS PERMIT
ELECTRICAL PERMIT
CITY OF SHERMAN
PLUMBING PERMIT
CITY OF SHERMAN
MECHANICAL PERMIT
Sprint
Together with NEXTEL
SITE NAME: QUALITY GRAIN, LLC
SITE NUMBER: DA00IC149
STRUCTURE TYPE: GRAIN SILO
TRANSMITTAL
VERTICOM
CITY OF SHERMAN
Certificate of Occupancy
POST IN A CONSPICUOUS PLACE
10/11/2010

2789 Permits

- Electrical 402
- Plumbing 574
- Mechanical 271
- Irrigation 86
- Building 842
- Certificate of Occupancy 215


Developmental Services
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Permits
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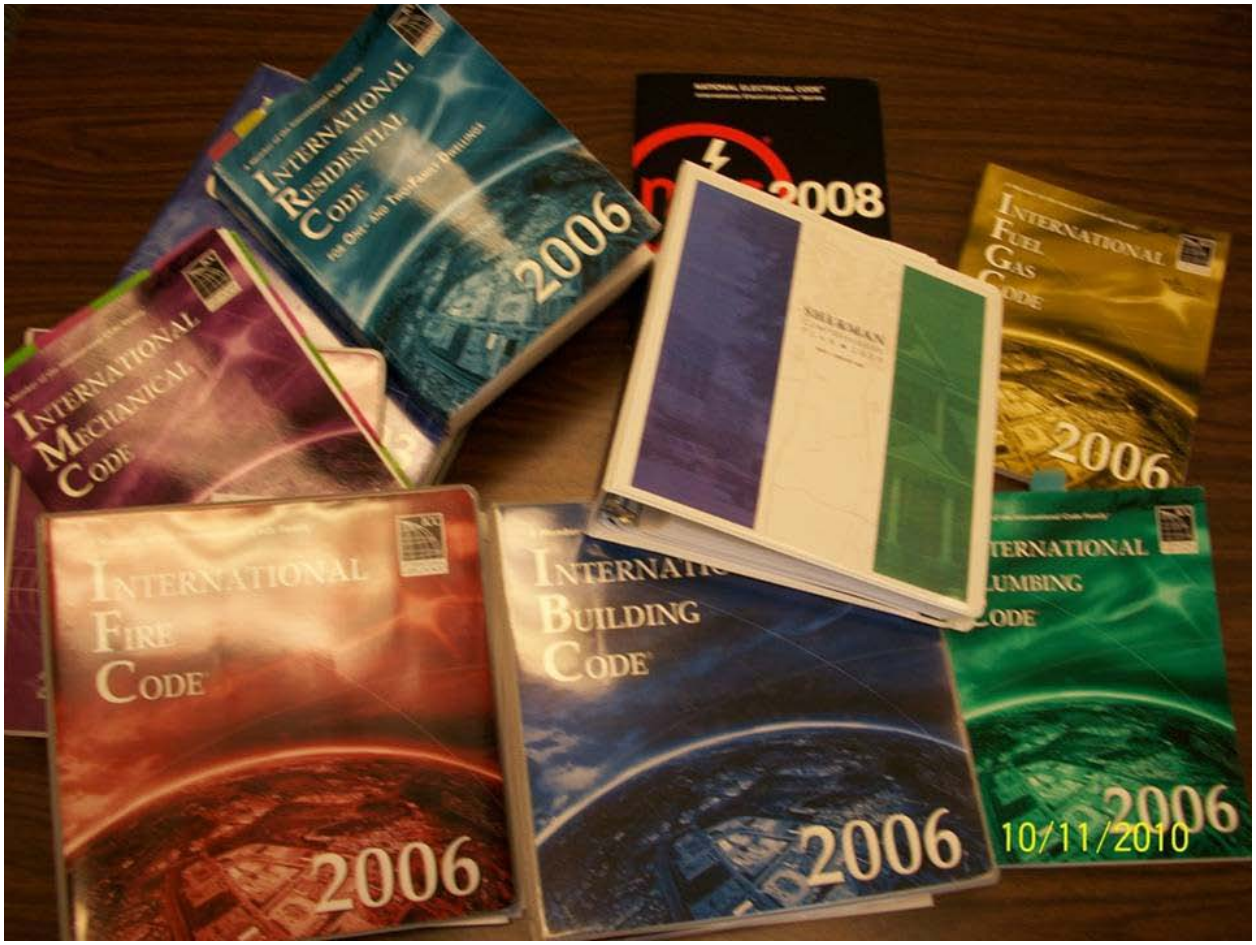
Boards & Commissions

10/11/201

10/11/2010


INTERNATIONAL RESIDENTIAL CODE
2006
2008
INTERNATIONAL MECHANICAL CODE
INTERNATIONAL FUEL GAS CODE
2006
INTERNATIONAL FIRE CODE
2006
INTERNATIONAL BUILDING CODE
2006
2006
10/11/2010

HERITAGE PARK
10/11/2010

10/11/2010

10/11/2010

Ford
10/11/2010

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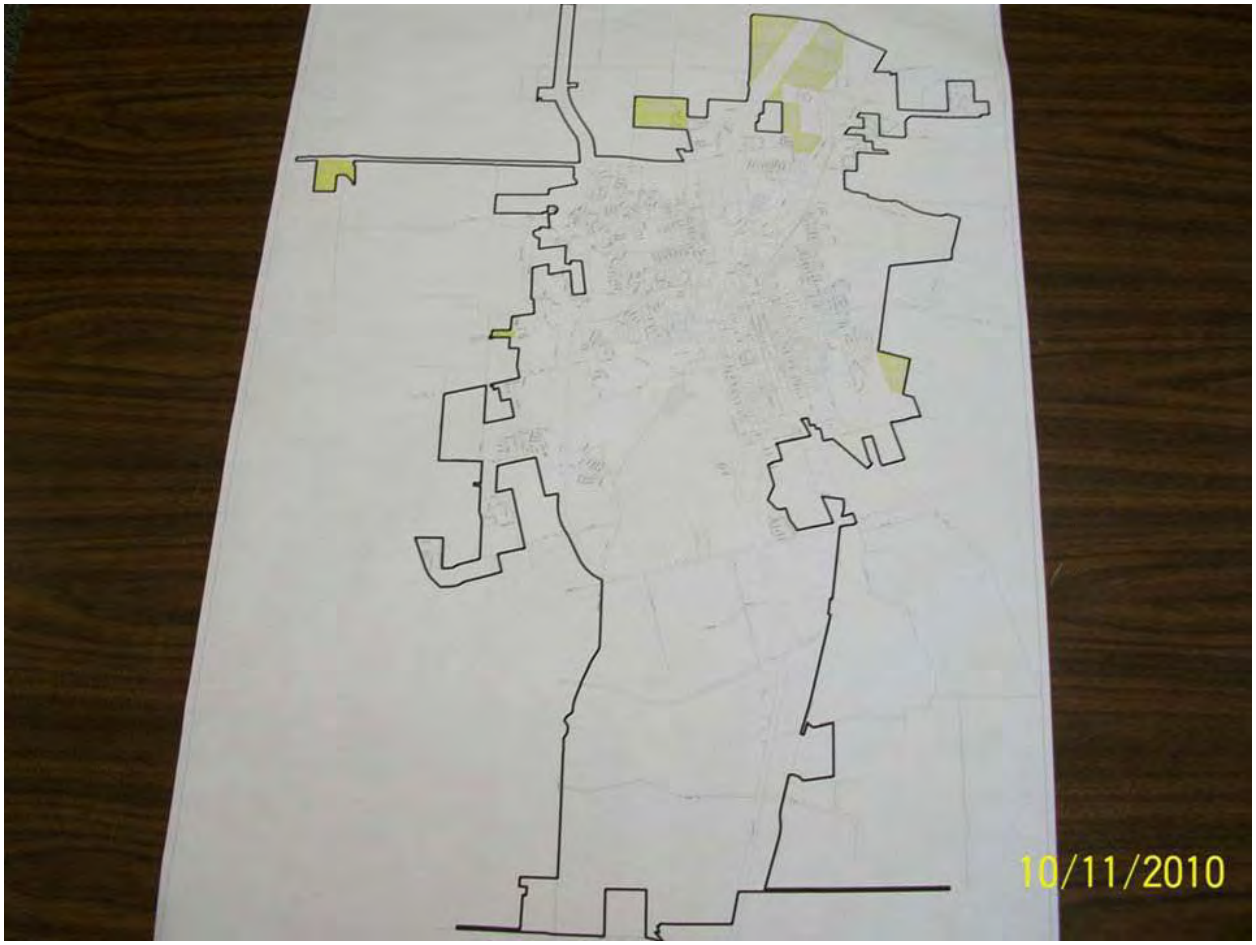
10/11/2010

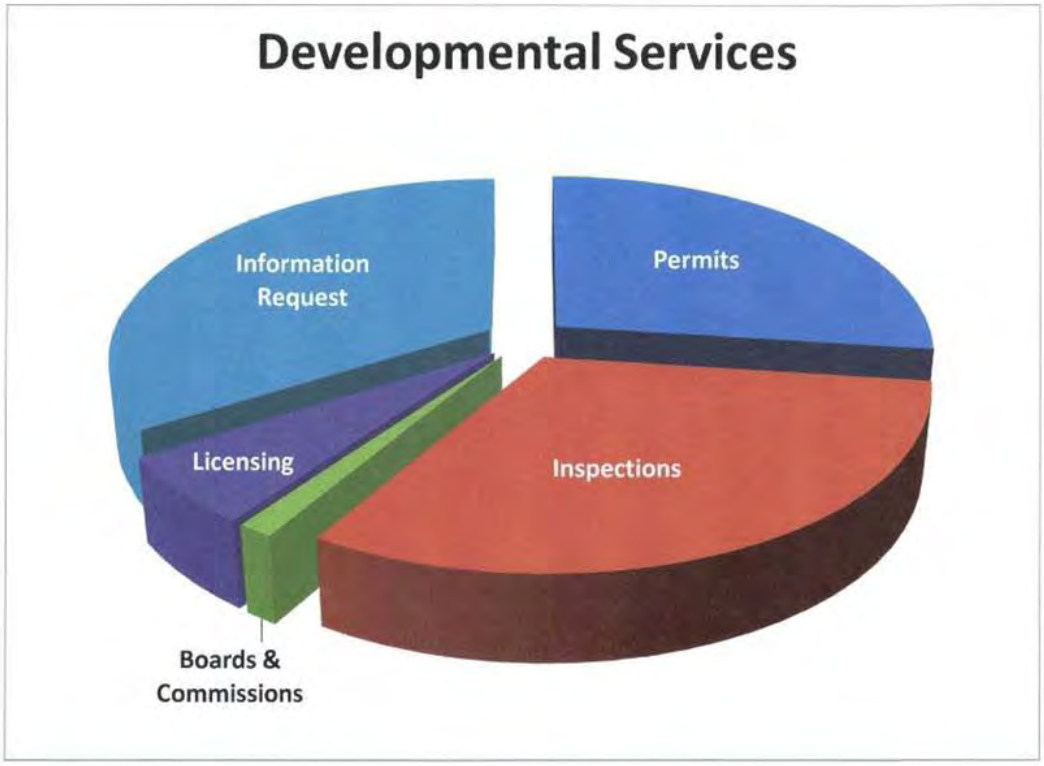

10/11/2010

07/20/2009

10/06/2009

01/27/2009

04/29/2009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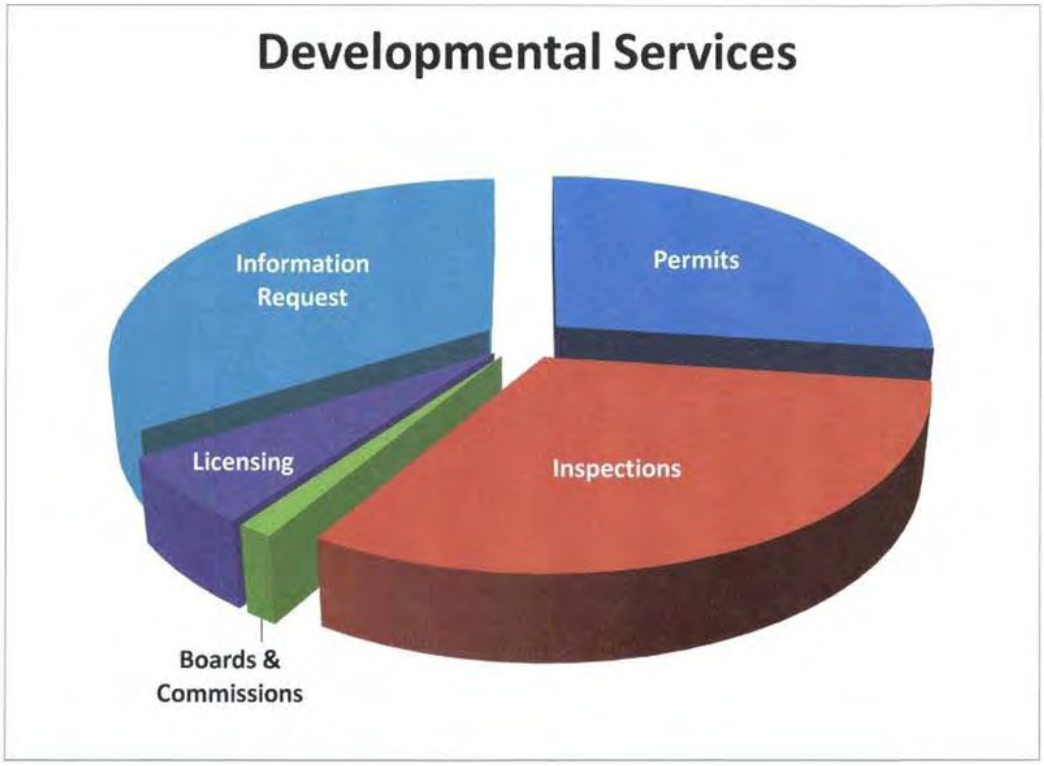
- Historical Preservation Board
- Construction Code Board of Adjustments and Appeals
- Planning and Zoning Board
- Zoning Board of Adjustments


Developmental Services
Information Request
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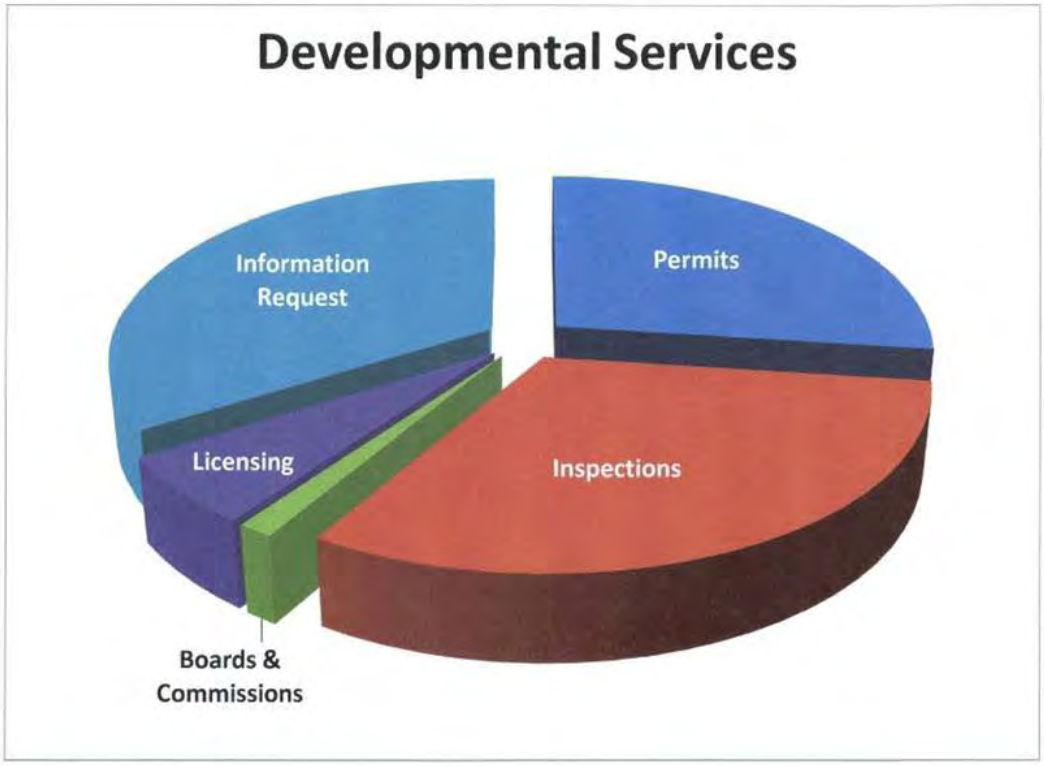
SHERMAN H.V.A.C
CONTRACTOR LICENSE
MASTER MECHANICAL
REGISTRATION
City of Sherman, Texas
BACKFLOW PREVENTION
REGISTRATION
City of Sherman, Texas
IRRIGATOR REGISTRATION
City of Sherman, Texas
JOURNEYMAN PLUMBER
REGISTRATION
City of Sherman, Texas
MASTER PLUMBER
REGISTRATION
City of Sherman, Texas
Be It Known That
Is Hereby Authorized to Engage
in the Occupation of Plumbing Contractor in the
City of Sherman, Texas
GENERAL CONTRACTOR
REGISTRATION
City of Sherman, Texas
Be It Known That
Is Hereby Authorized to Engage
in the Occupation of General Contractor in the
City of Sherman, Texas
10/11/2010

540 Licenses

- Plumbers 125
- Electricians 203
- Mechanical 82
- Irrigators/Backflow 67
- General Contractors 40
- Roofing Contractors 23


Developmental Services
Information Request
Permits
Licensing
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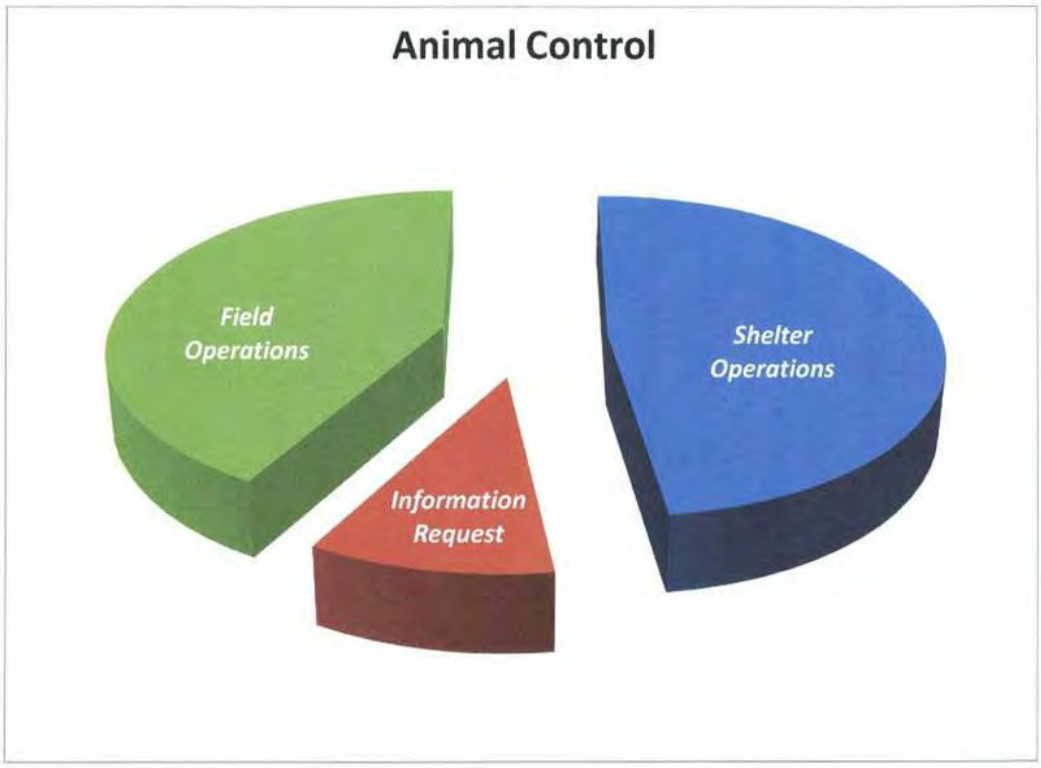
Boards & Commissions

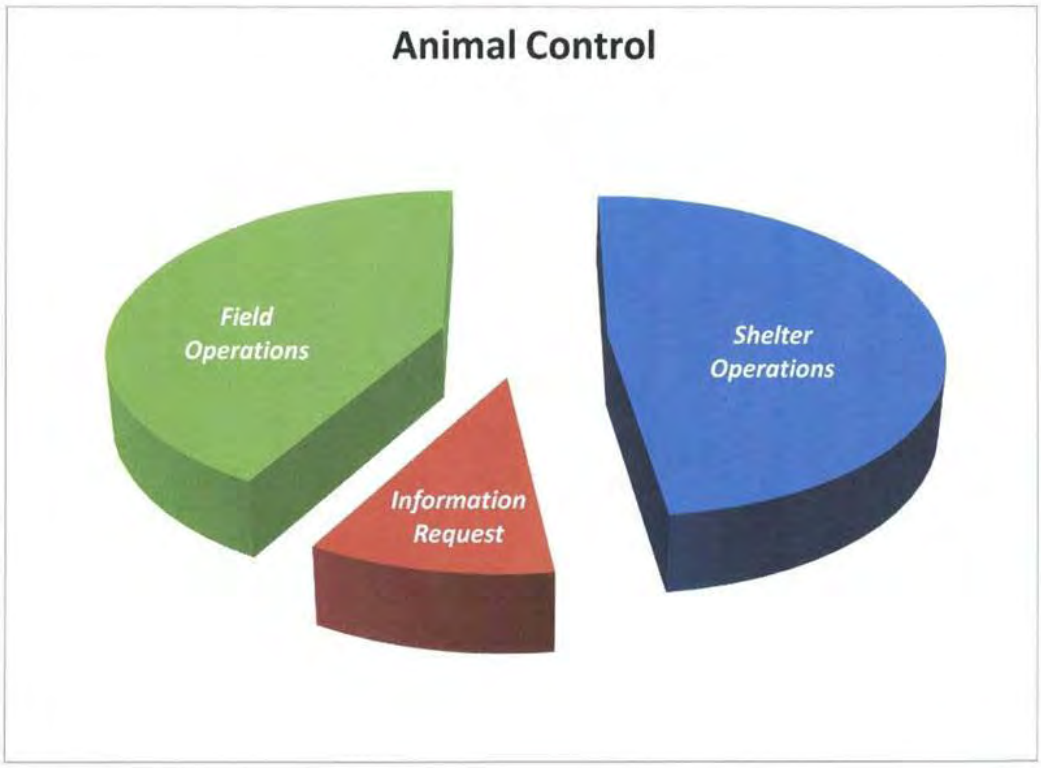
25,480 Information Requests

• Zoning	9780
• 911 Addressing	100
• Licensing	2040
• Construction Project Info	4944
• Building Permits	7356
• Complaints	504
• Other	756

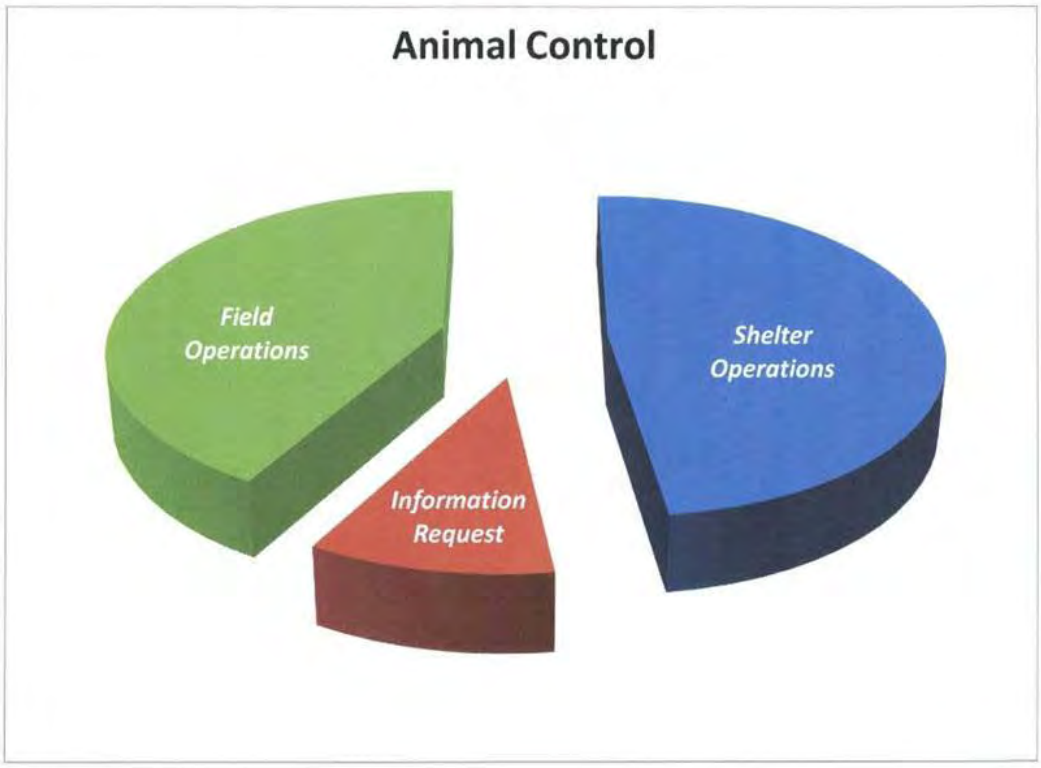

Animal Control
Field Operations
Information Request
Shelter Operations

4501 Animals Received

• Sherman	2869
• Grayson County	1357
• County Citizens	118
• Whitesboro	51
• Van Alstyne	37
• Southmayd	1
• Howe	32
• Knollwood	1
• Tom Bean	1
• Collinsville	33
• Bells	1


Animal Control
Field Operations
Information Request
Shelter Operations

- 22,750 Requests for Service/Information
- 8459 Complaints resolved

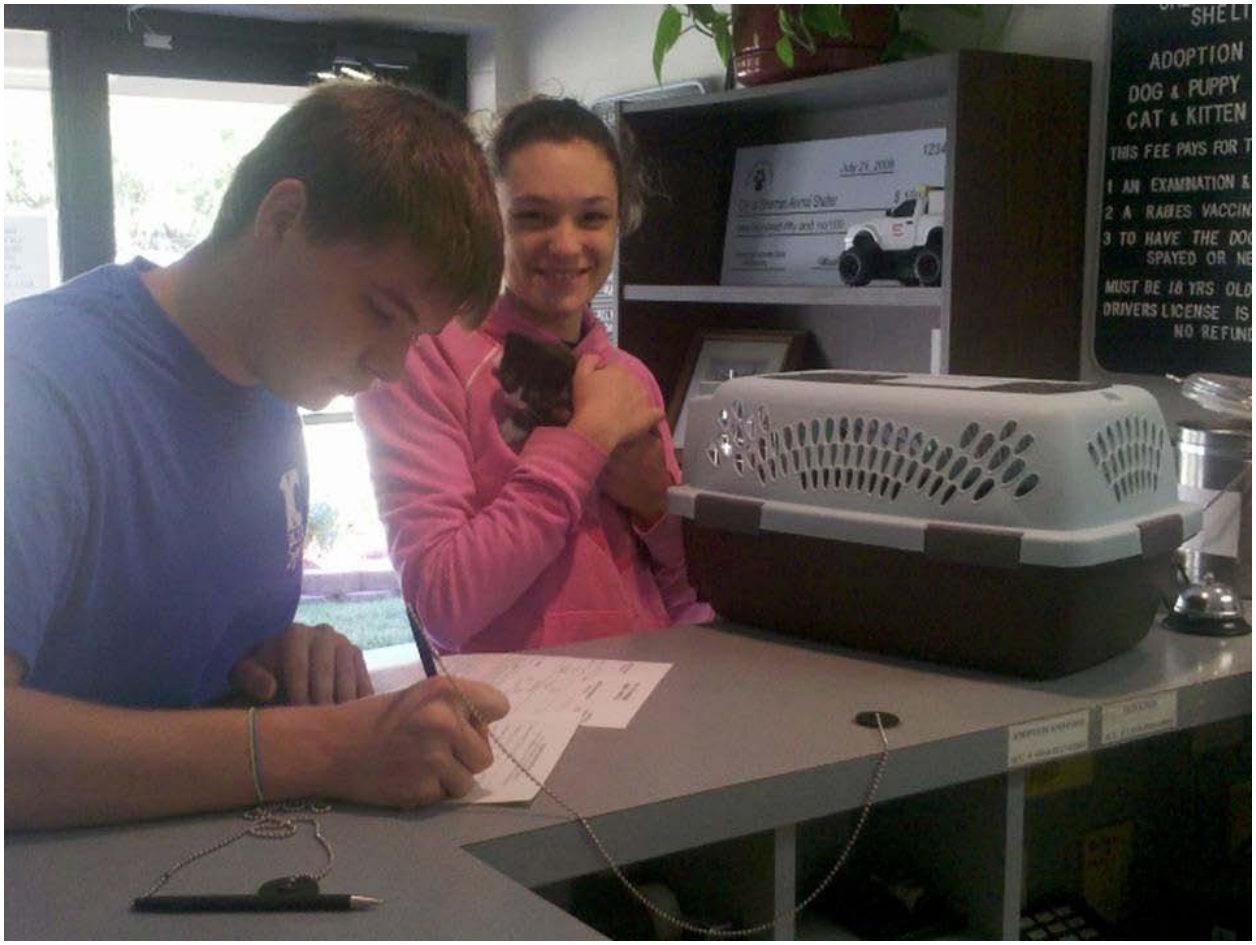

Animal Control
Field Operations
Information Request
Shelter Operations

Law Enforcement Assists

3598 Trips to service Live Traps

- 60 Skunks
- 48 Raccoons
- 65 Opossums
- 18 Armadillos
- 45 Snakes

- 110 Trips to control livestock
- 59 Bite and Scratch cases
- 70 Court Appearances
- 399 Wildlife caught
- 522 Deceased Animals Picked Up


ADOPTION
DOG & PUPPY
CAT & KITTEN
THIS FEE PAYS FOR
1 AN EXAMINATION
2 A RABIES
3 TO HAVE THE
SPAYED OR
MUST BE 18 YRS
DRIVERS LICENSE
NO

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. B.1

CONSENT AGENDA
Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

C.1 **** RESOLUTION NO. 5533***
Awarding a Bid to and Authorizing Execution of a Contract with Weisinger Water Well, Incorporated for Repair of the Shepherd Drive #1 Woodbine Well

C.2 **** RESOLUTION NO. 5534***
Authorizing Execution of a Professional Services Agreement with Timothy L. Morris, P.E. d/b/a Morris Engineers for Design of the Surface Water Distribution Pipeline East Project

D.2 **** OTHER BUSINESS***
Approve Quarterly Investment Reports for Period ending September 30, 2010

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. C.1

**** RESOLUTION NO. 5533***

Awarding a Bid to and Authorizing Execution of a Contract with Weisinger Water Well, Incorporated for Repair of the Shepherd Drive #1 Woodbine Well

Issue

Contracting for repair of the Shepherd Drive #1 Woodbine Well

Background

This project is to repair the Shepherd Drive #1 Woodbine Well. Three (3) bidders responded to the request for bids. A bid tabulation is attached.

Origination

Department of Utilities Administration

Financial Consideration

Adequate funding for this project is included in this year's operating budget for the water production division.

Staff Recommendation

It is recommended that the contract for repairs to the Shepherd Drive #1 Woodbine Well be awarded to the low bidder, Weisinger Water Well, Incorporated, in the amount of $114,401.50; and that the City Manager be authorized to execute the required contract documents.

Alternatives

As may be directed by the City Council

Attachments

Bid Tabulation
Resolution No. 5533
Contract

Prepared by:
Mark Gibson, Engineering & Public Works Director

Approved by:
George Olson, City Manager

Shepard Drive 1 WB											
Description				Weisinger		Layne		Alsay			
Item No.	Description of Item	Approx. Quantity	Unit	Unit Price	Total Amount Bid	Unit Price	Total Amount Bid	Unit Price	Total Amount Bid		
1	Mobilization, pull motor and pump		HR	$ 280.00	$ 5,600.00	$ 230.00	$ 6,210.00	$440.00	$ 15,400.00		
2	Transportation of pump, motor and cable to and from shop. All replaced parts need to be transported back to City of Sherman.	1	LS	$ 1,800.00	$ 1,800.00	$ 1,800.00	$ 1,800.00	$1,000.00	$ 1,000.00		
3	Camera survey	1	LS	$ 1,800.00	$ 1,800.00	$ 1,200.00	$ 1,200.00	$2,000.00	$ 2,000.00		
4	Shop labor: (1) disassemble, clean, inspect pump, motor and cable. (2) Provide written report on the condition of the equipment		HR	$ 65.00	$ 260.00	$ 125.00	$ 750.00	$78.00	$ 1,560.00		
5	LUMP SUM				$ 9,460.00		$ 9,960.00		$ 19,960.00		
6	5" X 21'column Pipe	40	EA	$ 614.00	$ 24,560.00	$ 625.00	$ 25,000.00	$524.00	$ 20,960.00		
7	5" X 10'column Pipe	1	EA	$ 357.00	$ 357.00	$ 330.00	$ 330.00	$282.00	$ 282.00		
8	125 HP submersible motor, 1800 RPM, 460 volt, 3 phase	1	EA	$ 27,320.00	$ 27,320.00	$ 21,095.00	$ 21,095.00	$36,396.00	$ 36,396.00		
9	Submersible pump w/lifting nipple, 400 GPM@798' TDH	1	EA	$ 15,328.00	$ 15,328.00	$ 13,340.00	$ 13,340.00	$24,367.00	$ 24,367.00		
10	3 conductor (W/ground) 600 volt Submersible cable	820'	FT	$ 30.00	$ 24,600.00	$ 23.50	$ 19,270.00	$ 50.60	$ 41,492.00		
11	5" check valve	2	EA	$ 362.00	$ 724.00	$ 410.00	$ 820.00	$ 1,648.00	$ 3,296.00		
12	1/4" Stainless steel airline	810'	LF	$ 2.25	$ 1,822.50	$ 1.75	$ 1,417.50	$ 3.00	$ 2,430.00		
13	Weld 3, 3/4" X 3/4" or 1" X 1" steel lifting lugs	41	EA	$ 50.00	$ 2,050.00	$ 40.00	$ 1,640.00	$ 75.00	$ 3,075.00		
14	Reset pump and motor, disinfect Well, Return Well to service	1	LS	$ 7,100.00	$ 7,100.00	$ 8,300.00	$ 8,300.00	$ 17,700.00	$ 17,700.00		
15	Test pump (12 HRS) and perform bacteriological test and warranty.	12	HR	$ 90.00	$ 1,080.00	$ 3,950.00	$ 47,400.00	$ 450.00	$ 5,400.00		
TOTAL BASE BID					$ 114,401.50		$ 148,572.50		$ 175,358.00		

RESOLUTION NO. 5533

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH WEISINGER WATER WELL, INCORPORATED FOR REPAIR OF THE SHEPHERD DRIVE #1 WOODBINE WELL; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That Weisinger Water Well, Incorporated of Conroe, Texas, be and is hereby awarded the bid in the total amount of One Hundred Fourteen Thousand Four Hundred One Dollars and Fifty Cents ($114,401.50) for repair of the Shepherd Drive #1 Woodbine Well; and that the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a contract with Weisinger Water Well, Incorporated for repair of the Shepherd Drive #1 Woodbine Well, in accordance with the terms and provisions of all contract documents attached hereto and made a part hereof for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of _____, 2010.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
BILL MAGERS, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY, CITY ATTORNEY

CITY OF SHERMAN §
COUNTY OF GRAYSON §

CONTRACT
BETWEEN THE CITY OF SHERMAN AND THE CONTRACTOR

THIS AGREEMENT is by and between the **CITY OF SHERMAN** ("CITY" or "OWNER") and

and _____(" CONTRACTOR").

The **CITY** and **CONTRACTOR**, for the consideration set forth in Article 4 of the Contract and the mutual covenants expressed in this Contract, agree as follows:

ARTICLE 1 - PROJECT

1.01 CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Project is generally described as follows:

Shepherd Drive 1 Woodbine Well Repair

This Project will be completed with/without change orders and all extra work in connection with the project, as described in the contract documents, shall be at the CONTRACTOR'S sole cost and expense all the materials, supplies, machinery, equipment, tools, superintendence, labor, necessary and customary insurance, and other accessories and services necessary to complete the Project in accordance with the Contract Documents.

ARTICLE 2 – INDEPENDENT CONTRACTOR

2.01 CONTRACTOR is and throughout this Contract shall remain an INDEPENDENT CONTRACTOR and as such is the sole judge on how to perform the work required under this Contract.

ARTICLE 3 - CONTRACT TIMES

3.01 *Commencement of Contract*

A. CONTRACTOR agrees to commence work under this Contract on or before the date specified in the written "Notice to Proceed" of the CITY and to fully complete the contract within ninety (90) days

B. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

3.02 *Dates for Substantial Completion and Final Payment*

A. The Work will be substantially completed by CONTRACTOR on or before _____, and completed and ready for final payment in accordance with paragraph 5.05 of the General Conditions on or before _____.

3.03 *Liquidated Damages*

A. CONTRACTOR and CITY recognize that time is of the essence of this Contract and that CITY will suffer loss that is difficult to calculate if the Work is not completed within the times specified in paragraph 3.02 above, plus any extensions thereof allowed in accordance with paragraph 4.02 of the General Conditions. The parties also recognize the expense, and difficulties involved with a delay make it impossible to evaluate the actual loss suffered by CITY due to the nature of this project if the Work is not completed on time. Accordingly, CITY and CONTRACTOR agree that as liquidated damages for the delay (but not as a penalty), CONTRACTOR shall pay CITY $ 100.00 for each day that expires after the time specified in paragraph 3.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if CONTRACTOR shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by CITY, CONTRACTOR shall pay CITY $ 100.00 for each day that expires after the time specified in paragraph 3.02 for completion and readiness for final payment until the Work is completed and ready for final payment. The parties agree that the amount of $ 100.00 represents a fair and reasonable estimate of the CITY'S damages.

ARTICLE 4 - CONTRACT PRICE/CONSIDERATION

4.01 CITY shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to paragraphs 4.01.A and 4.01.B below:

A. For all Project work, a total Sum of:

_____ ($_____)
(use words) (figure)

B. If the payment for the Project is based on Unit Pricing, the Contract Price shall be as set forth in the Unit Pricing portion of the Proposal.

C. The above price reflects the consideration for the performance of this Contract.

ARTICLE 5 - PAYMENT PROCEDURES

5.01 *Submittal and Processing of Payments*

A. CONTRACTOR shall submit Applications for Payment in accordance with Article 5 of the General Conditions. Applications for Payment will be processed by the ENGINEER (defined in Article 9 of this Contract) as provided in the General Conditions.

ARTICLE 6 - CONTRACTOR'S REPRESENTATIONS

6.01 In order to induce CITY to enter into this Contract, CONTRACTOR makes the following representations:

A. CONTRACTOR has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. CONTRACTOR has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. CONTRACTOR is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. CONTRACTOR has carefully studied all Contract Documents and understands the Work and Performance required in the Contract Documents and represents to the CITY that CONTRACTOR is fully capable of completing the work specified in the Contract Documents.

E. CONTRACTOR has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by CONTRACTOR, including applying the specific means, methods, techniques, sequences, and procedures of construction, if any, expressly required by the Contract Documents to be employed by CONTRACTOR, and safety precautions and programs incident thereto

F. CONTRACTOR does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

G. CONTRACTOR is aware of the general nature of work to be performed by CITY and others at the Site that relates to the Work as indicated in the Contract Documents.

H. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

I. CONTRACTOR has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that CONTRACTOR has discovered in the Contract

Documents, and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

J. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 7 - CONTRACT DOCUMENTS

7.01 *Contents*

A. The Contract Documents consist of the following and are incorporated into this Contract for all purposes:

1. This Contract;
2. Performance Bond;
3. If applicable, the Unit Pricing in the Proposal;
4. Payment Bond;
5. Other Bonds;
    a. Bid Bond (pages 1 to 2, inclusive);
    b. _____;
    c. _____;
6. General Conditions of Agreement;
7. Special Conditions of Agreement;
8. Any Other Documents listed in the Table of Contents of the Project Manual;
9. Any Drawings associated with the Project;
10. Addenda (if applicable);
11. Exhibits to this Contract(enumerated as follows):
    a. Notice to Proceed;
    b. CONTRACTOR'S Bid;
    c. Documentation submitted by CONTRACTOR prior to Notice of Award;
    d. _____;

12. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:

a. Written Amendments;

b. Work Change Directives;

c. Change Order(s), if permissible under the Resolution enacted by the City.

B. There are no Contract Documents other than those listed above in this Article 7.

C. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraph 9.09 of this Contract.

ARTICLE 8 – NOTICE

Any notice and/or statement required or permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing;

If intended for CITY to:	If intended for CONTRACTOR, to:
Designee: Mark Gibson	Designee: _____
Address: P. O Box 1106	Address: _____
Sherman, Texas 75091	_____

ARTICLE 9 - MISCELLANEOUS

9.01 *Terms*

A. Terms used in this Contract will have the meanings indicated in the General Conditions.

B. In addition to the terms in the General Conditions, the term "ENGINEER" in this Contract shall mean a person designated as the ENGINEER by the City.

9.02 *Assignment of Contract*

A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect

of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.03 *Successors and Assigns*

A. CITY and CONTRACTOR each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.04 *Severability and Conflict*

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon CITY and CONTRACTOR, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

B. If there are any conflicts between the Contract and the Contract Documents, the provisions in the Contract prevail over the provisions in the Contract Documents.

9.05 *Captions*

Section or other headings contained in this Contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this Contract.

9.06 *INDEMENITY AND DUTY TO DEFEND*

A. CONTRACTOR AGREES TO DEFEND, INDEMNIFY AND HOLD CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES INCLUDING ATTORNEYS FEES, FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY CONTRACTOR'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, STRICTLY LIABLE ACT, OR ANY OMISSION OF CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THIS AGREEMENT (HEREINAFTER "CLAIMS"); EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF CITY, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS. IN ADDITION, THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY. FURTHERMORE, THE CONTRACTOR SHALL ACQUIRE A POLICY OF INSURANCE IN THE MAXIMUM STATUTORY LIMITS FOR TORT LIABILITY OF THE CITY NAMING THE CITY OF SHERMAN AS AN ADDITIONAL INSURED UNDER ITS TERMS.

B. CONTRACTOR IS EXPRESSLY REQUIRED TO DEFEND THE CITY AGAINST ALL CLAIMS FOR WHICH THE CITY BECOMES LIABLE. IN ITS SOLE DISCRETION, CITY SHALL HAVE THE RIGHT TO SELECT OR TO APPROVE DEFENSE COUNSEL TO BE RETAINED BY CONTRACTOR IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY CITY, UNLESS SUCH A RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING BY THE CITY MANAGER, APPROVED BY THE CITY ATTORNEY, AND PROPERLY AUTHORIZED BY THE CITY'S COUNCIL. CITY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, CITY IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY CITY IS NOT TO BE CONSTRUED AS A WAIVER OF CONTRACTOR'S OBLIGATION TO DEFEND THE CITY OR AS A WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY THE CITY PURSUANT TO THIS CONTRACT. CONTRACTOR SHALL RETAIN CITY APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF CITY'S WRITTEN NOTICE THAT CITY IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS CONTRACT. IF CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, CITY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND CONTRACTOR SHALL BE LIABLE FOR ALL COSTS INCURRED BY CITY IN DEFENSE OF CLAIMS FOR WHICH CONTRACTOR IS LIABLE UNDER THIS PARAGRAPH.

C. This indemnification and duty to defend is subject to and does not waive any governmental immunity available to the CITY under Texas law, and any defenses of the parties under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

9.08 *Deletion of Arbitration Clause*

The parties agree that Paragraph 6.03 entitled Arbitration in the General Conditions, is not binding on the parties. This paragraph is not designed to prevent the parties from mutually agreeing to select arbitration as a means of resolving any disputes related to this Contract. The parties, however, agree not to be bound by the terms of 6.03 entitled Arbitration in the General Conditions.

9.07 *Choice of Law: Venue.*

This contract, the entire relationship of the parties, and any litigation between the parties (whether grounded in contract, tort, statute, law or equity) shall be governed by, construed in accordance with, and interpreted pursuant to the laws of the State of Texas, without giving effect to its choice of laws principles. This contract is wholly performable in Grayson County, Texas. Exclusive venue for any litigation between the parties shall be brought in Grayson County, Texas, and shall be brought in the State District Courts of Grayson County, Texas, or in the United States District Court for the Eastern District of Texas. The parties waive any challenge to personal jurisdiction or venue (including without limitation a challenge based on inconvenience) in Grayson County, Texas, and specifically consent to the jurisdiction of the State District Courts of Grayson County, Texas, or in the United States District Court for the Eastern District of Texas, Sherman Division.

9.08 *Binding Authority*

By their signatures below, the individuals represent that they have reviewed Contract with their attorney and that the individuals have the express authority to enter into this Contract.

9.09 *Entire Agreement*

This Contract embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Contract, and except as otherwise provided herein cannot be modified without written agreement of both the parties to be attached to and made a part of this Contract.

IN WITNESS WHEREOF, CITY and CONTRACTOR have signed this Contract in duplicate. One counterpart each has been delivered to CITY and CONTRACTOR. All portions of the Contract Documents have been signed or identified by CITY and CONTRACTOR or on their behalf.

This Contract will be effective on _____, 2010_____ (which is the Effective Date of the Contract).

CITY: **CITY OF SHERMAN, TEXAS**

_____

By: _____
City Manager

Attest _____
City Clerk

CONTRACTOR:

_____

By: _____

Attest _____
Notary Public

Commission Expires: _____

Agent for service of process: _____

_____

(If CONTRACTOR is a corporation or a partnership, attach evidence of authority to sign.)

Approved as to form:

_____

Brandon Shelby
City Attorney

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. C.2

**** RESOLUTION NO. 5534***

Authorizing Execution of a Professional Services Agreement with Timothy L. Morris, P.E. d/b/a Morris Engineers for Design of the Surface Water Distribution Pipeline East Project

Issue

To consider a contract for professional engineering services with Timothy L. Morris, P.E. d/b/a Morris Engineers ("Morris Engineers") for design of the Surface Water Distribution Pipeline East Project from the Sherman Water Treatment Plant to U.S. Highway 75

Background

The current Capital Improvement Program contains the Surface Water Distribution Pipeline East (Second Feed from Water Treatment Plant) Project. Engineering services are required to design the project in a timely manner.

Origination

Utilities Administration Department #710

Financial Consideration

The fee for engineering services will be $80,000.00. This project is funded through the Greater Texoma Utility Authority. Surveying and easement development is estimated to cost $17,500.00.

Staff Recommendation

It is recommended that the contract for professional engineering services with Morris Engineers, to design the Surface Water Distribution Pipeline East Project from the Sherman Water Treatment Plant to U.S. Highway 75, be approved.

Alternatives

As may be directed by the City Council

Attachments

Resolution No. 5534
Morris Engineers Proposal and Contract for Professional Services
Location Map

Prepared by:
Mark Gibson, Director of Engineering & Public Works

Approved by:
George Olson, City Manager

RESOLUTION NO. 5534

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH TIMOTHY L. MORRIS, P.E. D/B/A MORRIS ENGINEERS FOR DESIGN OF THE SURFACE WATER DISTRIBUTION PIPELINE EAST PROJECT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a Professional Services Agreement with Timothy L. Morris, P.E. d/b/a Morris Engineers for the design of the Surface Water Distribution Pipeline East Project from the Sherman Water Treatment Plant to U.S. Highway 75, in accordance with all contract documents attached hereto and made a part hereof for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of _____, 2010.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
BILL MAGERS, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY, CITY ATTORNEY

MORRIS ENGINEERS

October 15, 2010

Mark Gibson, P.E., Director of Utilities
City of Sherman
P.O. Box 1106
Sherman, TX 75091-1106

RE: Proposal of Engineering Services
Surface Water Distribution Pipeline East

I am pleased to present this proposal of engineering services for the construction of a water pipeline to distribute water from your surface water treatment plant to the east part of your distribution system at Travis Street and at Highway 75. Generally, the proposal is to extend 24 inch and 18 inch pipelines to Highway 75 to a point near Fallon Drive and to branch off that line with a 12 inch waterline to connect to the Travis Street waterline near North Creek Drive.

I propose to provide basic engineering services that will consist of (1) preliminary project planning, (2) preparation of construction plans, specifications, and contracts, (3) assistance with the solicitation and evaluation of bids, and (4) construction monitoring for conformance to the plans and specifications.

My preliminary estimates indicate the construction will cost about $1,200,000. The project will require surveying for project design and easements that will cost in the range of $17,500. I am proposing a lump sum fee for the basic engineering services of $80,000. Other project expenses will primarily relate to resident inspection and testing of the constructed works. Printing and other reimbursable expenses will be billed at our cost.

Attached for your information are preliminary project maps and a preliminary project budget estimate. I am also including 2 copies of a proposed engineering services contract. If you and your Council find the contract terms acceptable, please execute one copy and return it to me.

I appreciate the consideration you have given me regarding this project.

Sincerely,

Timothy L. Morris, P.E.

enclosures

P.O. Box 606 225 E. Houston Sherman, Texas 75091-0606 903 - 868 - 1644

MORRIS ENGINEERS

AGREEMENT
BETWEEN
OWNER AND ENGINEER
FOR
PROFESSIONAL SERVICES

THIS IS AN AGREEMENT made as of this _____ day of _____ in the year Two Thousand _ _____ by and between the **City of Sherman, Texas** (hereinafter called OWNER) and Timothy L. Morris, P.E., dba Morris Engineers (hereinafter called ENGINEER). OWNER intends to construct **Surface Water Distribution Pipeline East** (hereinafter called the Project).

OWNER and ENGINEER in consideration of their mutual covenants herein agree in respect of the performance of professional engineering services by ENGINEER and the payment for those services by OWNER, as set forth below.

SECTION 1 – BASIC SERVICES OF ENGINEER

1.1. General

1.1.1. ENGINEER shall perform professional services as hereinafter stated which include normal civil, structural, mechanical and electrical engineering services and normal architectural services incidental thereto.

1.2. Preparatory Phase

ENGINEER shall:

1.2.1. Consult with OWNER to determine his requirements for the Project and review available data.

1.2.2. Advise OWNER as to the necessity of his providing or obtaining from others data or services of the types described in Paragraph 3. which are not part of Engineer's Basic Services, and assist OWNER in obtaining such data and services.

1.2.3. Identify requirements of governmental authorities having jurisdiction to approve portions of the Project designed or specified by ENGINEER with whom consultation is to be undertaken in connection with the Project.

1.3. Preliminary Design Phase

ENGINEER shall:

1.3.1. Prepare preliminary design criteria and outline specifications.

1.3.2. Advise OWNER if additional data or services of the types described in Paragraph 3. are necessary and assist OWNER to obtain such data and services.

1.4. Final Design Phase

ENGINEER shall:

1.4.1. On the basis of the preliminary design, prepare final Drawings and Specifications to show the character and scope of the work to be performed by Contractor.

1.4.2. Provide technical criteria, written descriptions and design data for OWNER's use in filing applications for permits with or obtaining approvals of such governmental authorities as have jurisdiction to approve the design of the Project, and assist OWNER in consultations with appropriate authorities.

1.4.3. Furnish OWNER his opinion of typical cost based on the Drawings and Specifications.

1.4.4. Prepare for review and approval by OWNER, its legal counsel and other advisors, contract agreement forms, general conditions and supplementary conditions, bid forms, invitations to bid and instructions to bidders and assist in the preparation of other related documents.

1.4.5. Furnish **ten (10)** copies of the Drawings, Specifications, and Construction Contract Documents to the OWNER.

1.5. Bidding or Negotiating Phase

After authorization to proceed with the Bidding or Negotiating Phase, ENGINEER shall:

1.5.1. Assist OWNER to advertise for and obtain bids or negotiate proposals for each separate prime contract for construction, materials, services, or equipment.

1.5.2. Issue Addenda as appropriate to clarify or change the Bidding Documents.

1.5.3. Consult with and advise OWNER as to the acceptability of contractors and other persons and organizations proposed by prime contractor(s) for those portions of the work as to which such acceptability is required by the Contract Documents.

1.5.4. Consult with OWNER concerning the acceptability of substitute materials and equipment proposed by Contactor(s) when substitution is permitted by the Contract Documents.

1.5.5. Attend the bid opening, tabulate the bids, and assist OWNER in evaluating the bids or proposals and in assembling and awarding contracts.

1.6. Construction Phase

During the Construction Phase:

1.6.1. ENGINEER shall consult with and advise OWNER and act as OWNER's representative as provided by the Construction Contract. The extent and limitations of the duties, responsibilities and authority of ENGINEER as assigned in said Construction Contract shall not be modified except as ENGINEER may agree in writing. All of OWNER's instructions to Contractor(s) will by issued through ENGINEER who will have authority to act on behalf of OWNER to the extent provided by the Contract Documents.

1.6.2. ENGINEER shall make periodic visits to the site at intervals appropriate to the various stages of construction as ENGINEER deems necessary to observe as an experienced and qualified design professional the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents. ENGINEER will utilize, guide, and direct the activities of the Resident Project Representative assigned to the Project by OWNER according to Paragraph 2.2.1. and 7.2. to provide more continuous observation of the work. Based on information obtained by such observations, ENGINEER shall endeavor to determine if the work is proceeding in general conformance to the Contract Documents and to keep the OWNER informed of the progress of the work. ENGINEER shall have no responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor, for safety precautions and programs incident to the work of Contractor(s) or for any failure of Contractor to comply with laws, rules, regulations, ordinances, codes, or orders applicable to Contractor(s) performing their work. ENGINEER shall have no responsibility for Contractor's failure to perform the work according to the Contract Documents. ENGINEER may disapprove or reject Contractor's work if ENGINEER believes the work will not produce a completed Project that conforms to the requirements of the Contract Documents or that it will prejudice the integrity of the design concept of the Project as reflected by the Contract Documents.

1.6.3. ENGINEER shall issue necessary interpretations and clarifications of the Contract Documents. ENGINEER shall review shop drawings, samples, and other data which Contractor is required to submit, but only for conformance with the design concept according to the Contract Documents. ENGINEER shall evaluate substitute materials and equipment proposed by Contractor according to the Contract Documents. ENGINEER may, as OWNER's representative, require special inspection or testing of the work and shall receive and review all certificates of inspection, testing, and approval required by the Contract Documents. ENGINEER shall prepare routine Change Orders, Field Orders, and Work Change Directives.

1.6.4. ENGINEER shall act as initial interpreter of the Contract Documents and judge of the acceptability of the work thereuder and make decisions on all claims of OWNER and Contractor relating to the acceptability of the work or the requirements of the Contract Documents pertaining to the execution and progress of the work. ENGINEER shall not be liable for the results of any such interpretations or decisions rendered in good faith.

1.6.5. Based on his on-site observations as an experienced and qualified design professional, or information provided by the Resident Project Representative, and on his review of Contractor's applications for payment and the accompanying data and schedules: ENGINEER shall determine the amounts owing to Contractor and recommend in writing payments to Contractor in such amounts; such approvals of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated. Recommending a payment will not impose on ENGINEER responsibility to make any examination to ascertain how or for what purpose the Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any of the work, materials, or equipment has passed to OWNER free and clear

of any lien, claims, security interests, or encumbrances, or that there may not be other matters at issue between OWNER and Contractor that might affect the amount that should be paid.

1.6.6. ENGINEER shall conduct an inspection to determine if the Project is substantially complete and a final inspection to determine if the Project has been completed in accordance with the Contract Documents and if each Contractor has fulfilled all of his obligations thereunder so that ENGINEER may approve, in writing, final payment to each Contractor. ENGINEER's recommendation of any payment or performance of any inspections does not relieve Contractor(s) of any responsibility to fulfill the terms of the Contract Documents nor will such inspection or recommendation place any responsibility on ENGINEER for Contractor(s)' failure to perform according to the Contract Documents.

1.6.7. ENGINEER shall not be responsible for the acts or omissions of any Contractor, any subcontractor or any of the Contractor(s)' or subcontractor(s)' agents or employees or any other persons (except his own employees and agents) at the Project site or otherwise performing any of the work of the Project.

1.6.8. ENGINEER shall prepare for OWNER a set of reproducible record prints of Drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished by Contractor(s) and Resident Project Representative to ENGINEER and which ENGINEER considers significant.

SECTION 2 – ADDITIONAL SERVICES OF ENGINEER

2.1. General

If authorized by OWNER, ENGINEER shall furnish or obtain from others Additional Services of the following types which are not considered normal or customary Basic Services; these services will be paid for by OWNER as indicated in Section 5.

2.1.1. Preparation of applications and supporting documents for governmental grants, loans, or permits in connection with the Project; preparations or review of environmental assessments and impact statements; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2.1.2. Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.3. Services resulting from significant changes in general scope of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, or character of construction; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are due to causes beyond ENGINEER's control.

2.1.4. Providing renderings or models for OWNER's use.

2.1.5. Preparing documents for alternate bids requested by OWNER for work which is not executed or documents for out-of-sequence work.

2.1.6. Investigations involving detailed consideration of operations, maintenance and overhead expenses; providing value engineering during the course of the design, the preparation of feasibility studies, cash flow and economic evaluations, rate schedules and assistance in obtaining financing for the Project; detailed quantity surveys of material, equipment and labor; and audits or inventories required in connection with construction performed by OWNER.

2.1.7. Furnishing the services of independent consultants for other than the normal civil, structural, mechanical and electrical engineering and normal architectural design incidental thereto, and providing data or services of the types described in Paragraph 3.

2.1.8. Assistance in connection with bid protests, re-bidding or renegotiating contracts for construction, materials, equipment or services.

2.1.9. Services in connection with Change Orders and Work Change Directives to reflect changes requested by OWNER if the compensation for Basic Services is not commensurate with the additional services rendered; services in making revisions to Drawings and Specifications caused by acceptance of substitutions proposed by Contractor; and services resulting from significant delays, changes, or price increases occurring as a direct result of the Project.

2.1.10. Services during out-of-town travel required of ENGINEER other than visits to the Project site as required by Section 1.

2.1.11. Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of any Contractor, (3) prolongation of the contract time of any prime contract by more than sixty days, (4) acceleration of the work schedule involving services beyond normal working hours, and (5) default by any Contractor.

2.1.12. Preparation of operating, maintenance, and staffing manuals; extensive assistance in the utilization of any equipment or system (such as initial start-up, testing, adjusting and balancing); and training personnel for operation and maintenance.

2.1.13. Service after completion of the Construction Phase, such as inspections during any guarantee period and reporting observed discrepancies under guarantees called for in any contract for the Project.

2.1.14. Serving as a consultant or witness for OWNER in any litigation, arbitration, mediation, public hearing or other legal or administrative proceeding involving the Project.

2.1.15. Additional service in connection with the Project, including services normally furnished by OWNER and services not otherwise provided for in this Agreement.

2.2. **Resident Services During Construction**

2.2.1. A Resident Project Representative and assistants will be furnished by OWNER who will act as directed by ENGINEER in order to provide further protection against defects and deficiencies in the work. OWNER and ENGINEER will cooperate to provide mutual assistance for the accomplishment of ENGINEER's responsibilities and those of the Resident Project Representative. OWNER and ENGINEER shall each be responsible for their own acts or omissions and neither may be held responsible for the acts or omissions of the other.

SECTION 3 – OWNER'S RESPONSIBILITIES

OWNER shall:

3.1. Provide full information as to his requirements for the Project.

3.2. Assist ENGINEER by placing at his disposal all available information pertinent to the Project including previous reports and any other data relative to design and construction of the Project.

3.3. Surveying Services. OWNER will provide, at OWNER's direct expense, surveying and mapping services necessary for the design of the project and acquisition of easements.

3.4. Furnish to ENGINEER, as required by him for performance of his Basic Services, data prepared by or services of others, such as core borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment; environmental assessment and impact statements; appropriate professional interpretations of all of the foregoing; property, boundary, easement, right-of-way, topographic and utility surveys; property descriptions, zoning, deed, and other land use; restriction; and other special data or consultations not covered in Paragraph 2; all of which ENGINEER may rely upon in performing his services.

3.5. Provide, if required by the Construction Contract, engineering surveys and staking to enable Contractor(s) to proceed with the layout of the work.

3.6. Arrange for access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform his services.

3.7. Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as he deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.8. Pay all costs incident to obtaining bids or proposals from contractors.

3.9. Provide such legal, accounting, independent cost estimating and insurance counseling services as may be required for the Project, and such auditing service as OWNER may

require to ascertain how or for what purpose any Contractor has used the moneys paid to him under the construction contract.

3.10. Designate a person to act as OWNER's representative with respect to the work to be performed under this Agreement. Such person shall have authority to transmit instructions, receive information, and interpret OWNER's policies and decisions with respect to ENGINEER's services.

3.11. Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any defect in the Project.

3.12. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.13. Furnish, or direct ENGINEER to provide, necessary Additional Services as stipulated in Section 2 of this Agreement or other services as required.

3.14. Bear all costs incident to compliance with the requirements of this Section 3.

SECTION 4 – PERIOD OF SERVICE

4.1. The provisions of 4.2. through 4.8., inclusive, and the various rates of compensation for ENGINEER's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Construction Phase. ENGINEER's obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of Construction Contracts, and construction of the Project including extra work and required extensions thereto.

4.2. The service called for in the Preparatory Phase and Preliminary Design Phase will be completed within **thirty (30)** calendar days following the authorization to proceed with that phase of services.

4.3. Upon authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Final Design Phase, so as to deliver contract Documents for all authorized work on the Project within **ninety (90)** calendar days after the authorization to proceed with that phase of services.

4.4. ENGINEER's services under the Preparatory Phase, Preliminary Design Phase and Final Design Phase shall each be considered complete at the earlier of (1) the date when the submissions for that phase have been accepted by OWNER or (2) thirty days after the date when such submissions are delivered to OWNER for final acceptance, plus such additional time as may be considered reasonable for obtaining approval of governmental authorities having jurisdiction over design criteria applicable to the Project.

4.5. After acceptance by OWNER of the Contract Documents and ENGINEER's most recent opinion of typical Project Cost and upon authorization to proceed, ENGINEER shall proceed with performance of the services called for in the Bidding or Negotiating Phase. This Phase shall terminate and the services to be rendered thereunder shall be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with Contractor(s).

4.6. The Construction Phase will commence with the execution of the first prime contract to be executed for the work of the Project or any part thereof, and will terminate upon the written recommendation by ENGINEER of final payment on the last prime contract to be completed. Construction Phase services may be rendered at different times in respect of separate prime contracts if the Project involved more than one prime contract.

4.7. In the event that the work of the Project is to be performed under more than one prime contract, OWNER and ENGINEER shall, prior to commencement of the Final Design Phase, develop a schedule for performance of ENGINEER's services during the Final Design, Bidding or Negotiating and Construction Phases in order to sequence and coordinate properly such services as applicable to the work under such separate contracts.

4.8. If OWNER has requested significant modifications or changes in the scope of the Project, the time of performance of ENGINEER's services shall be adjusted appropriately.

4.9. If OWNER fails to give prompt authorization to proceed with any phase of services after completion of the immediately preceding phase, or if the Construction Phase has not commenced within 180 calendar days after the completion of the Final Design Phase, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement.

4.10. If ENGINEER's services for design or during construction of the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER's control, ENGINEER shall on written demand to OWNER (but without termination of this Agreement) be paid as provided in Paragraph 5.3.3. for the services delayed or suspended. If such delay or suspension extends for more than one year for reasons beyond ENGINEER's control, or if ENGINEER for any reason is required to render services more than one year after Substantial Completion, the various rates of compensation provided for elsewhere in this Agreement shall be subject to renegotiation.

SECTION 5 – PAYMENTS TO ENGINEER

5.1. Methods of Payment for Services and Expenses of ENGINEER

5.1.1. Basic Services. OWNER shall pay ENGINEER for Basic Services rendered under Section 1 on the following basis:

5.1.1.1. Lump Sum. If the work of the entire Project is awarded on the basis of one prime contract, a lump sum fee of Eighty Thousand and 00/100 Dollars ($80,000.00).

5.1.2. Additional Services. OWNER shall pay ENGINEER for Additional Services rendered under Section 2 as follows:

5.1.2.1. General. For Additional Services rendered under Paragraphs 2.1.1. through 2.1.15., inclusive (except services covered by Paragraph 2.1.7. and services as a consultant or witness under Paragraph 2.1.14), on the basis of the fee schedule listed in Paragraph 7.1.

5.1.2.2. Special Consultants. For services and reimbursable expenses of special consultants employed by ENGINEER pursuant to Paragraph 2.1.7., the amount billed to ENGINEER therefore times a factor of 1.05.

5.1.2.3. Serving as a Witness. For the services of the principals and employees as consultants or witnesses in any litigation, hearing or proceeding in accordance with Paragraph 2.1.14, at the rate of 1.2 times the fees listed in Paragraph 7.1. (but compensation for time spent in preparing to appear in any such litigation, hearing or proceeding will be on the basis provided in Paragraph 5.1.2.1.).

5.1.2.4. Resident Project Services. A Resident Project Representative will be furnished under Paragraph 2.2.1. by and at the expense of the OWNER.

5.1.3. Reimbursable Expenses. In addition to payments provided for in Paragraphs 5.1.1. and 5.1.2., OWNER shall pay ENGINEER the actual costs of all reimbursable expenses incurred in connection with all Basic and Additional Services.

5.1.4. As used in this Paragraph 5.1., the term "reimbursable expenses" will have the meanings assigned in Paragraph 5.3.1.

5.2. Times of Payment

5.2.1. ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for reimbursement expenses incurred. When compensation is on the basis of a lump sum or percentage of construction cost the periodic statements will be based upon ENGINEER's hourly fee schedule. OWNER shall make prompt monthly payments in response to ENGINEER's monthly statements.

5.2.2. The OWNER shall, upon conclusion of each phase of Basic Services, pay such additional amount, if any, as may be necessary to bring total compensation paid on account of such phase to the following of total compensation for all phases of Basic Services:

Phase	Fee
Preliminary Engineering	$ 4,000.00
Design	$ 66,000.00
Bidding and Construction	$ 10,000.00
Total	$ 80,000.00

5.3. **General**

5.3.1. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); furnishing and maintaining field office facilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings and Specifications, and similar Project-related items in addition to those required under Section 1; insurance in addition to that identified by Section 7.3; and, if authorized in advance by OWNER, overtime requiring higher than regular rates.

5.3.2. If OWNER fails to make any payment due ENGINEER for services and expenses within sixty days after receipt of ENGINEER's bill therefore, the amounts due ENGINEER shall include a charge at the rate of 1% per month from said sixtieth day, and in addition ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement until he has been paid in full all amounts due him for services and expenses.

5.3.3. If this Agreement is terminated by OWNER, upon the completion of any phase of the Basic Services, payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. If this Agreement is terminated by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase on the basis ENGINEER's hourly fee schedule times a factor of 1.25 for services rendered during that phase to date of termination by principals and employees assigned to the Project. In the event of any termination, ENGINEER will be paid for all unpaid Additional Services and unpaid reimbursable expenses, plus all termination expenses. Termination expenses mean reimbursable expenses directly attributable to termination.

SECTION 6 – GENERAL CONSIDERATIONS

6.1. **Termination**

This Agreement may be terminated at the sole discretion of either party upon thirty days' written notice.

6.2. **Reuse of Documents.**

All documents including Drawings and Specifications furnished by ENGINEER pursuant to this Agreement are instruments of his services in respect of the Project. They are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse by the OWNER without specific written verification or adaptation by ENGINEER will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER shall indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses including attorney's fees arising out of or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

6.3. **Estimates of Cost.**
Since ENGINEER has no control over the cost of labor, materials or equipment, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, his opinions of probable project cost, construction cost, or typical costs provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but ENGINEER can not and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of cost prepared by him. If prior to the Bidding or Negotiating Phase OWNER wishes greater assurance as to the construction cost he shall employ an independent cost estimator as provided in Paragraph 3.9.

6.4. **Successors and Assigns.**
OWNER and ENGINEER each binds himself and his partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement; except as above, neither OWNER nor ENGINEER shall assign, sublet or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than OWNER and ENGINEER.

6.5. **Fiduciary Responsibility**
ENGINEER offers no fiduciary service to OWNER and ENGINEER has no fiduciary responsibility to OWNER.

SECTION 7 – SPECIAL PROVISIONS

OWNER and ENGINEER agree that this AGREEMENT is subject to the following special provisions which together with the provisions hereof and the exhibits and schedules hereto represent the entire AGREEMENT between OWNER and ENGINEER; they may only be altered, amended or repealed by a duly executed written instrument.

7.1 **Hourly Fee Schedule**
The hourly fee schedule primary project personnel are:
Engineering Services Payroll Costs:

Principal Engineer	$85.00 per hour
Designer	$45.00 per hour
Engineering Technician	$35.00 per hour
Engineering Administration	$35.00 per hour

7.2. **Resident Project Representative.**
ENGINEER recommends and OWNER agrees to provide at OWNER's direct expense a Resident Project Representative during the project construction.

7.3. **ENGINEER's Insurance.**
The ENGINEER shall carry and keep in force during this contract, policies of insurance in the minimum amounts as set forth below.

General Liability:	Single Limit.....	$1,000,000
	Aggregate.....	$2,000,000
Workers' Compensation:		Statutory
Automobile Liability:		
Combined Single Limit:		$1,000,000

IN WITNESS WHEREOF the parties hereto have made and executed this AGREEMENT as of the day and year first above written.

OWNER:

City of Sherman
P.O. Box 1106
220 W. Mulberry
Sherman, Texas75091-1106
(903) 892-7210

By:_____

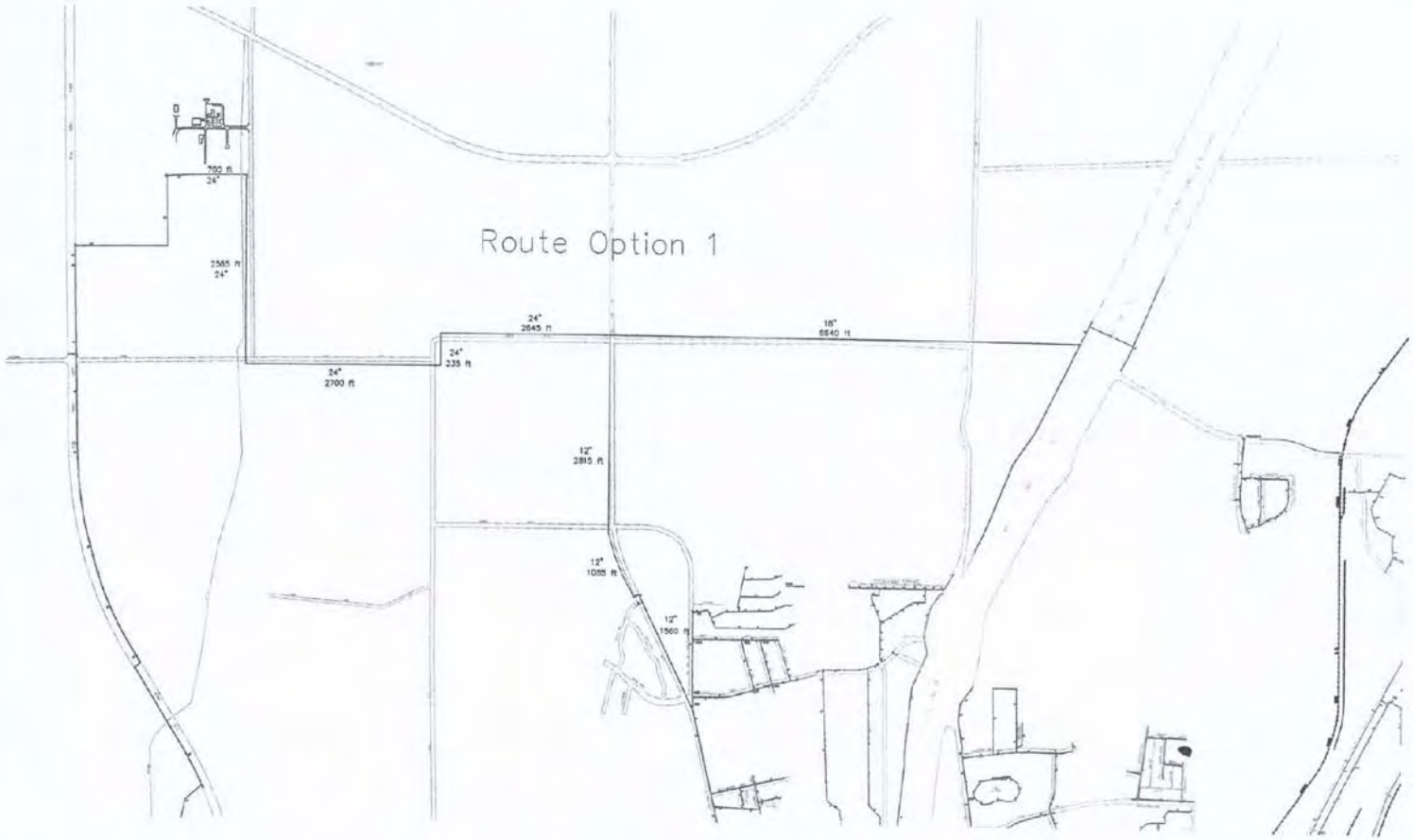
Title:_____

ENGINEER:

Morris Engineers
P.O. Box 606
225 E. Houston
Sherman, Texas 75091-0606
(903) 868-1644

By: _____ 10/15/10

Title: Professional Engineer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12"
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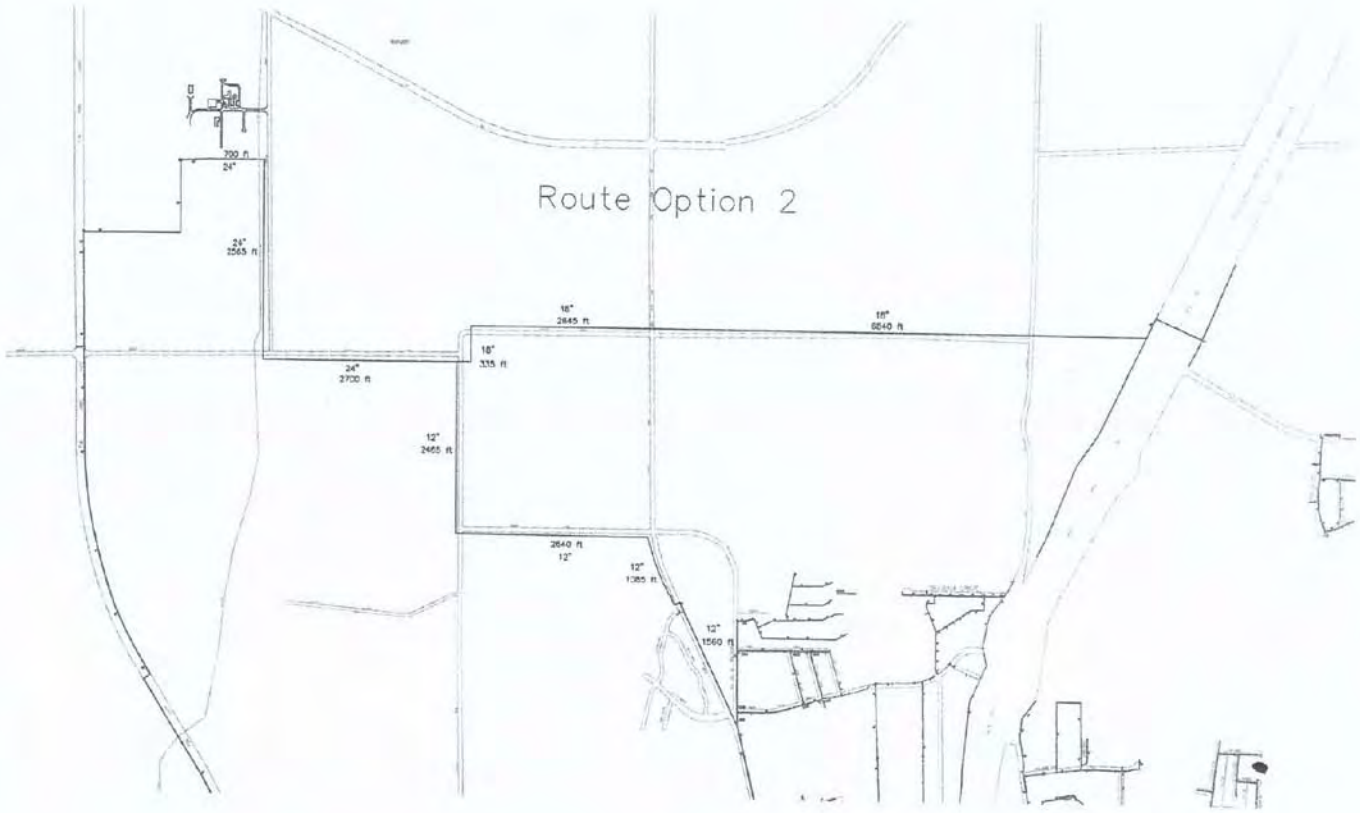
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18"
335 ft
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2465 ft
2640 ft
12"
12"
1385 ft
12"
1560 ft

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. D.1

OTHER BUSINESS
Receive Presentation from Assistant City Manager Robby Hefton on the City of Sherman's Administrative Departments

Issue
Presentation about the City of Sherman's Administrative Departments

Background
In order to provide the City Council with information and updates about City departments and activities, brief presentations will be given periodically to enhance this knowledge base. This particular presentation focuses on the City of Sherman's Administrative Departments.

Origination
City Manager

Financial Consideration
There is no cost associated with this presentation.

Council Action Requested
The Council need take no action on this presentation – for information purposes only.

Alternatives
None

Attachments
None

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. D.2

**** OTHER BUSINESS***

Approve Quarterly Investment Reports for Period ending September 30, 2010

Issue

To approve the Investment Reports for the quarterly period ending September 30, 2010

Background

These reports are being presented in accordance with the state law that requires at least quarterly presentation to the Council. The report was given to the Investment Committee prior to submittal to the Council. Two portfolios will be addressed: Operating Portfolio and Debt Proceeds Portfolio.

As of September 30, 2010, both portfolios were in compliance with applicable state laws and the City's internal Investment Policy. The Operating Portfolio had a book value of about $19.8 million, down about $2 million from three months ago due to seasonally slow property tax collections during the period. This portfolio is appropriately liquid; and its weighted-average maturity increased to about 192 days, up from 169 days last period, because of investment purchases during the quarter. The portfolio yield of 0.66% for the quarter is higher than the benchmark yield of 0.19%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The Debt Proceeds Portfolio balance decreased about $0.9 million due to payments made for construction projects during the period. The portfolio remains adequately liquid, with all of the funds available within one day. Its yield of 0.21% for the quarter is higher than the benchmark yield of 0.19%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

Origination

Finance

Financial Consideration

None

Staff Recommendation

It is recommended that the Council accept the report as presented.

Alternatives

The Council could offer suggestions for improvement or could request more frequent reporting.

Attachments

Memo to Investment Committee; Investment reports and related schedules

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

memorandum

DATE: Wednesday, October 27, 2010

TO: The Investment Committee
Council Members Willie Steele and Robert G. Softly
City Manager George Olson

FROM: Robby Hefton, Assistant City Manager/CFO

SUBJECT: Investment Reports for Quarter ended September 30, 2010

Enclosed is a copy of the quarterly investment reports for the quarter ended September 30, 2010. Reports are included for two major portfolios: 1) operating portfolio, and 2) CO Debt portfolio. Each of these reports reflects that, as of that date, the City was in compliance with all applicable state laws as well as the City's Investment Policy.

The total operating portfolio balance of about $19.8 million had a weighted-average maturity of about 192 days, up from 169 days last quarter due to investment purchases during the period. The portfolio yield of 0.66% was higher than our benchmark 180-day T-Bill yield, which was 0.19%; and book value closely approximated market value.

Also, as of September 30, 2010, all of the CO Debt Proceeds was invested in pooled investments, together yielding 0.21%, slightly lower than the benchmark 180-day T-Bill rate. The Debt Proceeds portfolio balance decreased by about $.9 million during the quarter because of payments related to capital construction.

This investment report will be on the November 1, 2010 City Council Agenda for their review and approval. Please call me if you have any questions about this item.

RH:pc

attachments (as stated above)

Sherman

CITY OF SHERMAN, TX
Investment Report Summary
September 30, 2010

This report complies with the requirements of the public funds investment law and covers all the funds of the City of Sherman that are subject to that law. At September 30, 2010 investment book value was about $19.8 million and had decreased by approximately $2.0 million from three months prior. Decreases in investment balances are customary during this quarter each year due to slowing property tax collections. The City's investment portfolio includes interest-bearing demand deposits, bank time deposits, investment pools that strive to maintain a 100% net asset value, and U.S. Agency securities.

The City was in compliance with all provisions of the investment policy and the Public Funds Investment Act as of September 30, 2010. The weighted-average maturity of the portfolio was about 192 days at September 30, 2010 compared to about 169 days at June 30, 2010. This increase in weighted-average maturity occurred because of investment purchases during the period.

The market value of the portfolio was 100.08% of book value as of September 30, 2010. The portfolio yield of 0.66% at September 30, 2010 was higher than the benchmark yield on the 180-day T-Bill, which was 0.19%.

Two certificates of deposit matured during the quarter with a par value totaling about $2.0 million. Two certificates of deposit were purchased during the quarter with a par value of about $2.0 million. Accrued interest of about $12,000 was added to time deposit principal. All other transactions were routine.

The following schedules are also a part of this investment report.

Robby Heflon, Assistant City Manager/CFO
and City of Sherman Investment Officer

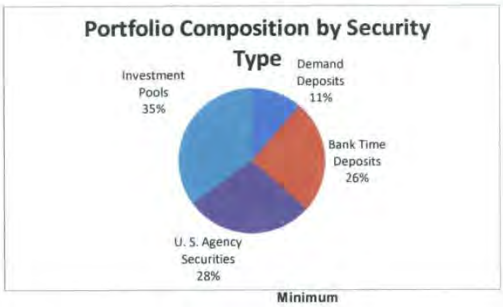
Mary Lawrence, Controller and City of
Sherman Investment Officer

CITY OF SHERMAN, TX
Detailed Investment Report
As of September 30, 2010

Investment	Par	VALUES - June 30, 2010 Book	VALUES - June 30, 2010 Market	Book Increase/(Decrease) Purchases/ (Withdrawals)	Book Increase/(Decrease) Accruals/ Amortizations	Market Increase/(Decrease) Purchases & (Withdrawals)	Market Increase/(Decrease) Change In Market Price	VALUES - September 30, 2010 Book	VALUES - September 30, 2010 Market
DEMAND DEPOSITS									
Depository Bank		$ 1,750,683	$ 1,750,683	$ (68,326)	$ -	$ (68,326)	$ -	$ 1,682,357	$ 1,682,357
Depository Bank-TIF Funds		953,786	953,786	(406,603)	-	(406,603)	-	547,183	547,183
		2,704,469	2,704,469	(474,929)	-	(474,929)	-	2,229,540	2,229,540
BANK TIME DEPOSITS									
Certificate of Deposit 1.5% 7/19/2010		1,011,385	1,011,385	(1,011,385)	-	(1,011,385)	-	-	-
Certificate of Deposit 1.5% 9/15/2010		1,007,576	1,007,576	(1,007,576)	-	(1,007,576)	-	-	-
Certificate of Deposit 1.65% 3/1/2011		1,004,125	1,004,125	4,142	-	4,142	-	1,008,267	1,008,267
Certificate of Deposit 1.5% 12/3/2011		1,000,000	1,000,000	3,750	-	3,750	-	1,003,750	1,003,750
Certificate of Deposit 1.61% 5/3/2012		1,000,000	1,000,000	4,025	-	4,025	-	1,004,025	1,004,025
Certificate of Deposit 1.4% 7/19/2011		-	-	1,013,796	-	1,013,796	-	1,013,796	1,013,796
Certificate of Deposit 1.00% 9/16/2012		-	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
		5,023,086	5,023,086	6,752	-	6,752	-	5,029,838	5,029,838
INVESTMENT POOLS									
Tex-Pool		3,548,701	3,548,843	-	1,999	-	2,071	3,550,700	3,550,913
TexStar		4,873,978	4,874,694	(1,500,000)	2,536	(1,500,000)	2,153	3,376,514	3,376,848
		8,422,679	8,423,537	(1,500,000)	4,535	(1,500,000)	4,224	6,927,214	6,927,761
SECURITY INVESTMENTS									
FHLB 0.5% 11/23/2010	1,000,000	1,000,603	999,380	-	(376)	-	1,039	1,000,227	1,000,419
FFCB 3.9% 6/20/2011	1,000,000	1,030,875	1,038,750	-	(8,001)	-	(13,021)	1,022,874	1,025,729
FNMA 3.625% 8/15/2011	1,000,000	1,033,759	1,038,440	-	(7,557)	-	(9,722)	1,026,202	1,028,718
FHLB 2.1% 9/6/2011	500,000	508,039	509,065	-	(1,736)	-	(859)	506,303	508,206
FHLB 3.75% 9/9/2011	1,030,000	1,067,345	1,072,807	-	(7,880)	-	(9,844)	1,059,465	1,062,963
FHLB 2.13% 12/9/2011	1,000,000	1,003,806	1,002,500	-	(666)	-	6,304	1,003,140	1,008,804
		5,644,427	5,660,942	-	(26,216)	-	(26,103)	5,618,211	5,634,839
		$21,794,661	**$21,812,034**	**($1,968,177)**	**($21,681)**	**($1,968,177)**	**($21,879)**	**$19,804,803**	**$19,821,978**

CITY OF SHERMAN, TX
Comparison of Portfolio to Policy Limits
As of September 30, 2010

LIMITS ON TYPES OF SECURITIES	Target Investment Level	Portfolio Cap	Actual Percentage of Portfolio	% Variance Policy Limits
Demand Deposits	100%	100%	11.26%	**88.74%**
Bank Time Deposits	25%	30%	25.40%	**4.60%**
U. S. Treasury Securities	80%	85%	0.00%	**85.00%**
U. S. Agency Securities	45%	50%	28.37%	**21.63%**
Investment Pools	45%	50%	34.98%	**15.02%**



LIMITS ON MATURITIES	Minimum Allowable Percentage of Portfolio	Actual Percentage of Portfolio	% Variance Policy Limits
Available within 1 month	25%	46.24%	**21.24%**
Available within 3 months	33%	51.29%	**18.29%**
Available within 6 months	45%	56.38%	**11.38%**
Available within 1 year	60%	79.75%	**19.75%**
Available within 2 years	70%	100.00%	**30.00%**
Available within 3 years	80%	100.00%	**20.00%**
Available within 4 years	90%	100.00%	**10.00%**
Available within 5 years	100%	100.00%	**0.00%**

	Maximum Allowable	Actual Average Maturity	Policy Limit Days Available
Weighted Average Days to Maturity	500	192.27	**307.73**

CITY OF SHERMAN, TX

Calculation of Weighted Average Maturity and Yield
As of September 30, 2010

	Market Value	Book Value	# of Days To Maturity	Original Yield to Maturity	Percent of Portfolio
Demand Deposits					
Depository Bank	$1,682,357	$1,682,357	0	0.15%	8.49%
Depository Bank -TIF Funds	547,183	547,183	0	0.15%	2.76%
	2,229,540	2,229,540			11.26%
Bank Time Deposits					
Certificate of Deposit 1.65% 3/1/2011	1,008,267	1,008,267	152	1.66%	5.09%
Certificate of Deposit 1.5% 12/3/2011	1,003,750	1,003,750	429	1.51%	5.07%
Certificate of Deposit 1.61% 5/3/2012	1,004,025	1,004,025	581	1.62%	5.07%
Certificate of Deposit 1.40% 7/19/2011	1,013,796	1,013,796	292	1.41%	5.12%
Certificate of Deposit 1.00% 9/16/2012	1,000,000	1,000,000	717	1.00%	5.05%
	5,029,838	5,029,838			25.40%
Investment Pools					
Tex-Pool	3,550,913	3,550,700	1	0.22%	17.93%
TexStar	3,376,848	3,376,514	1	0.21%	17.05%
	6,927,761	6,927,214			34.98%
Federal Securities and Notes					
FHLB 0.5% 11/23/2010	1,000,419	1,000,227	54	0.35%	5.05%
FFCB 3.9% 6/20/2011	1,025,729	1,022,874	263	0.71%	5.16%
FNMA 3.625% 8/15/2011	1,028,718	1,026,202	319	0.62%	5.18%
FHLB 2.1% 9/6/2011	508,206	506,303	341	0.69%	2.56%
FHLB 3.75% 9/9/2011	1,062,963	1,059,465	341	0.71%	5.35%
FHLB 2.13% 12/9/2011	1,008,804	1,003,140	435	1.09%	5.07%
	5,634,839	5,618,211			28.37%
TOTAL	**$19,821,978**	**$19,804,803**			**100.00%**

Weighted Average Maturity

Weighted Average Days to Maturity	192.27
Weighted Average Days to Maturity-Operating (ex.depository bank-checking)	216.66

Weighted Average Yield

Weighted Average Yield	0.66%
Weighted Average Yield - Operating (excluding depository bank-checking)	0.72%
Yield to Maturity of 180 day T-Bill at September 30, 2010	0.19%

CITY OF SHERMAN, TX
Market Value Analysis
As of September 30, 2010

CHANGES IN MARKET VALUE:

BEGINNING VALUE - June 30, 2010		$21,812,034
INVESTMENT ACTIVITY:		
Purchases	2,025,713	
Maturities	(2,018,961)	
Net Changes in Market Price	(26,103)	
		(19,351)
Bank and Pooled Investment Deposits/(Withdrawals) - Net		(1,970,705)
ENDING VALUE - September 30, 2010		**$19,821,978**

COMPARISON OF BOOK VALUE TO MARKET VALUE:

BEGINNING VALUE - June 30, 2010		
Market Value	$21,812,034	
Book Value	$21,794,661	
Ratio of Market Value to Book Value		100.08%
ENDING VALUE - September 30, 2010		
Market Value	$19,821,978	
Book Value	$19,804,803	
Ratio of Market Value to Book Value		100.09%

CITY OF SHERMAN, TX
Quarter to Date Investment Transaction Report
As of September 30, 2010

PURCHASES

Date	Type	Principal Purchase Price	Par Value	Yield/Int. Discount Rate	Maturity Date
07/19/2010	CD 1.4%	$ 1,013,796	$ 1,013,796	1.41%	07/19/2011
08/03/2010	CD 1.61%	4,025	4,025	1.62%	05/03/2012
08/03/2010	CD 1.5%	3,750	3,750	1.51%	12/03/2011
08/31/2010	CD 1.65%	$ 4,142	$ 4,142	1.66%	03/01/2011
09/16/2010	CD 1.0%	1,000,000	1,000,000	1.00%	09/16/2012
	Total Purchases	**$ 2,025,713**	**$ 2,025,713**		

MATURITIES

Date	Type	Par Value	Yield/Int. Discount Rate
07/19/2010	CD 1.5%	$ 1,011,385	1.51%
09/16/2010	CD 1.5%	1,007,576	1.51%
	Total Maturities	**$ 2,018,961**	

CITY OF SHERMAN, TX
Interest Receivable and Earned Interest Income
September 30, 2010

Investment	Original Yield	Interest Receivable June 30, 2010	Purchased Interest	Interest Received	Coupon Interest	Interest Receivable September 30, 2010	Amortization/ Accretion	Earned Interest Income
DEMAND DEPOSITS								
Depository Bank	0.15%	$ -	$ -	$ 752	752	$ -	$ -	$ 752
Depository Bank-TIF Funds	0.15%	-	-	262	262	-	-	262
		-	-	1,013	1,013	-	-	1,013
TIME DEPOSITS								
Certificate of Deposit 1.5% 7/19/2010	1.51%	1,561	-	2,411	850	-	-	850
Certificate of Deposit 1.5% 9/15/2010	1.51%	495	-	3,768	3,273	-	-	3,273
Certificate of Deposit 1.65% 3/1/2011	1.66%	2,611	-	4,142	4,159	2,628	-	4,159
Certificate of Deposit 1.5% 12/3/2011	1.51%	2,384	-	3,750	3,781	2,415	-	3,781
Certificate of Deposit 1.61% 5/3/2012	1.62%	2,567	-	4,025	4,058	2,600	-	4,058
Certificate of Deposit 1.4% 7/19/2011	1.41%	-	-	-	2,839	2,839	-	2,839
Certificate of Deposit 1.00% 9/16/2012	1.00%	-	-	-	384	384	-	384
		9,618	-	18,096	19,343	10,865	-	19,343
INVESTMENT POOLS								
Tex-Pool	0.22%	-	-	2,000	2,000	-	-	2,000
TexStar	0.21%	-	-	2,535	2,535	-	-	2,535
		-	-	4,535	4,535	-	-	4,535
SECURITY INVESTMENTS								
FHLB 0.5% 11/23/2010	0.35%	803	-	-	1,260	2,063	(376)	884
FFCB 3.9% 6/20/2011	0.71%	1,036	-	-	9,830	10,866	(8,001)	1,829
FNMA 3.625% 8/15/2011	0.62%	13,594	-	18,125	9,063	4,532	(7,557)	1,506
FHLB 2.1% 9/6/2011	0.71%	3,296	-	5,250	2,625	671	(1,736)	889
FHLB 3.75% 9/9/2011	0.69%	11,801	-	19,313	9,764	2,253	(7,880)	1,884
FHLB 2.13% 12/9/2011	1.09%	982	-	-	2,836	3,818	(666)	2,170
		31,512	-	42,688	35,378	24,203	(26,216)	9,162
		$41,130	**$0**	**$66,332**	**$60,269**	**$35,068**	**($26,216)**	**$34,053**

CITY OF SHERMAN, TX
CO Debt Proceeds
Investment Report Summary
September 30, 2010

This report complies with the requirements of the public funds investment law and covers the Certificate of Obligation Debt Proceeds of the City of Sherman that is subject to that law. At September 30 2010, investment book value was about $4.4 million and had decreased by approximately $0.9 million from the previous quarter due to payments made for construction projects. The City's investment portfolio includes interest-bearing demand deposits and investment pools that strive to maintain a 100% net asset value.

The City was in compliance with all provisions of the investment policy and the Public Funds Investment Act as of September 30 2010. The weighted-average maturity of the portfolio was 1 day at September 30 2010.

The market value of the portfolio was 100.01% of book value as of September 30 2010.

The portfolio yield of 0.21% at September 30 2010 was higher than the benchmark yield of .19% on the 180-day T-Bill.

All other transactions were routine.

The following schedules are also a part of this investment report.

Robby Hefton, Assistant City Manager/CFO
and City of Sherman Investment Officer

Mary Lawrence, Controller and City of
Sherman Investment Officer

CITY OF SHERMAN, TX
CO Debt Proceeds
Detailed Investment Report - Debt Proceeds
As of September 30, 2010

Investment	VALUES - June, 2010 Book	VALUES - June, 2010 Market	Book Increase/(Decrease) Purchases/ (Withdrawals)	Book Increase/(Decrease) Accruals/ Amortizations	Market Increase/(Decrease) Purchases & (Withdrawals)	Market Increase/(Decrease) Change In Market Price	VALUES - September 30, 2010 Book	VALUES - September 30, 2010 Market
DEMAND DEPOSITS								
Depository Bank-TIF	$ 398,448	$ 398,448	$ (48,021)	$ 140	$ (48,021)	$ 140	$ 350,567	$ 350,567
INVESTMENT POOLS								
Tex-Pool-2009 Bonds	1,458,517	1,458,575	(859,242)	578	(859,242)	556	599,853	599,889
TexStar-2009A Bonds	3,470,890	3,471,400	-	1,825	-	1,659	3,472,715	3,473,059
	4,929,407	4,929,976	(859,242)	2,403	(859,242)	2,214	4,072,568	4,072,948
	$5,327,855	**$5,328,424**	**($907,263)**	**$2,543**	**($907,263)**	**$2,354**	**$4,423,135**	**$4,423,515**

CITY OF SHERMAN, TX
CO Debt Proceeds
Comparison of Portfolio to Policy Limits
As of September 30, 2010

LIMITS ON MATURITIES	Minimum Allowable Percentage of Portfolio	Actual Percentage of Portfolio	% Variance Policy Limits
Cash Demands within 1 month	10%	100.00%	**90.00%**
Cash Demands within 3 months	14%	100.00%	**85.96%**
Cash Demands within 6 months	40%	100.00%	**59.70%**
Cash Demands within 1 year	77%	100.00%	**23.34%**
Cash Demands within 2 years	100%	100.00%	**0.00%**

	Maximum Allowable	Actual Average Maturity	Policy Limit Days Available
Weighted Average Days to Maturity	500	1.00	**499.00**

CITY OF SHERMAN, TX
CO Debt Proceeds
Calculation of Weighted Average Maturity and Yield
As of September 30, 2010

Demand Deposits	Market Value	Book Value	# of Days To Maturity	Original Yield to Maturity	Percent of Portfolio
Depository Bank	350,567	350,567	0	0.15%	7.93%
Investment Pools					
Tex-Pool-2009 Bonds	599,889	599,853	1	0.22%	13.56%
Tex-Star-2009A Bonds	3,473,059	3,472,715	1	0.21%	78.51%
	4,072,948	4,072,568			92.07%
TOTAL	**$ 4,423,515**	**$ 4,423,135**			**100.00%**

Weighted Average Maturity	
Weighted Average Days to Maturity	1
Weighted Average Days to Maturity-Operating (ex.depository bank)	1

Weighted Average Yield	
Weighted Average Yield	0.21%
Weighted Average Yield-Operating (excluding depository bank)	0.22%
Yield to Maturity of 180 day T-Bill at September 30, 2010	0.19%

CITY OF SHERMAN, TX
CO Debt Proceeds
Market Value Analysis
As of September 30, 2010

CHANGES IN MARKET VALUE:

BEGINNING VALUE - June 30, 2010		$5,328,424
INVESTMENT ACTIVITY:		
Purchases	-	
Maturities	-	
Net Changes in Market Price	-	
		-
Bank and Pooled Investment Deposits/(Withdrawals) - Net		($904,909)
ENDING VALUE - September 30, 2010		**$4,423,515**

COMPARISON OF BOOK VALUE TO MARKET VALUE:

BEGINNING VALUE - June 30, 2010		
Market Value	$5,328,424	
Book Value	$5,327,855	
Ratio of Market Value to Book Value		100.01%
ENDING VALUE - September 30, 2010		
Market Value	$4,423,515	
Book Value	$4,423,135	
Ratio of Market Value to Book Value		100.01%

CITY OF SHERMAN, TX
CO Debt Proceeds
Quarter To Date Investment Transaction Report
As of September 30, 2010

PURCHASES

There were no purchases during the period.

MATURITIES

There were no maturities during the period.

CITY OF SHERMAN, TX
CO Debt Proceeds
Interest Receivable and Earned Interest Income
As of September 30, 2010

Investment	Original Yield	Interest Receivable June 30, 2010	Purchased Interest	Interest Received	Coupon Interest	Interest Receivable September 30, 2010	Amortization/ Accretion	Earned Interest Income
DEMAND DEPOSITS								
Depository Bank-TIF	0.15%	$ -	$ -	$ 140	$ 140	$ -	$ -	$ 140
INVESTMENT POOLS								
Tex-Pool - 2009 Bonds	0.22%	-	-	578	578	-	-	578
TexStar - 2009A Bonds	0.21%	-	-	1,825	1,825	-	-	1,825
		-	-	2,403	2,403	-	-	2,403
		$ -	**$ -**	**$2,543**	**$2,543**	**$ -**	**$ -**	**$2,543**

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. D.3

CITIZEN REQUESTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. D.4

MEDIA QUESTIONS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. D.5

COUNCIL COMMENTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. E.1

EXECUTIVE SESSION

In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections"

Section 551.071 **Consultation with City Attorney Concerning Pending or Contemplated Litigation:**

(a) Receive the City Attorney's Briefing on Contemplated Litigation

Section 551.087 **Deliberation Regarding Economic Development Negotiations**

(a) Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:

(i) GlobiTech Incorporated

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. F.1

OPEN MEETING

Reconvene into Open Meeting and consider action, if any, on items discussed in Executive Session

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. F.2

INTRODUCTION OF ORDINANCE NO. 5674
Designating a Certain Area as an Industrial Reinvestment Zone, City of Sherman, Texas, Providing for the Establishment of Agreements within the Zone, and Other Matters Relating Thereto; Providing Findings of Fact; Providing an Effective Date for the Commencement of the Reinvestment Zone and this Ordinance

Issue
The creation of a new industrial reinvestment zone in response to a tax abatement requested by GlobiTech Incorporated

Background
On Thursday, October 21, 2010, the Tax Reinvestment Committee met to consider a request from GlobiTech Incorporated for a tax abatement for capital improvements and job creation related to the expansion of their existing computer chip coating plant located at F.M. 1417 (Heritage Parkway) and Howe Drive in Sherman. The expansion is driven by the increasing global demand for their product. GlobiTech expects to invest at least $34 million in new equipment and improvements and add at least 30 employees to its existing workforce. The Committee voted to recommend an abatement and creation of the Zone to the City Council and other taxing entities. The law requires that a reinvestment zone be established prior to a tax abatement being granted for eligible projects. The attached ordinance would be the first step in accomplishing the creation of a new commercial/industrial reinvestment zone.

The Zone itself will cover only GlobiTech's property. Prior to its adoption, a public hearing must be held to allow for interested parties to speak to the issue. If approved, the public hearing would be held at the November 15th Council meeting. The request for tax abatement will be addressed at the December 6th Council meeting, in the form of a resolution.

Origination
GlobiTech Incorporated

Financial Consideration
There is no financial consideration to introducing and setting the public hearing of this ordinance.

Staff Recommendation
The staff recommends that the City Council introduce the ordinance and set the public hearing for the November 15th Council meeting.

Alternatives
The Council could decide not to introduce the ordinance.

Attachments
Ordinance No. 5674; Legal Description; Vicinity Map

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

ORDINANCE NO. 5674

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS AN INDUSTRIAL REINVESTMENT ZONE, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Sherman, Texas (the "City"), desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a Reinvestment Zone, as codified in Chapter 312 of the Texas Tax Code (the "CODE"); and

WHEREAS, a hearing before the City Council was set for 5:00 p.m. on the 15th day of November, 2010, such date being at least seven (7) days after the date of publication of the notice of such public hearing in a newspaper of general circulation in the City of Sherman; and

WHEREAS, the City has called a public hearing and published notice of such public hearing, and has properly notified the proper officials of Grayson County, Grayson County College, and Sherman Independent School District, as required by the CODE; and

WHEREAS, upon such hearing being convened, there was presented proper proof and evidence that notices of such hearing had been published and mailed as described above; and

WHEREAS, the City at such hearing invited any interested person, or his attorney, to appear and contend for or against the creation of the Reinvestment Zone, whether all or part of the territory, which is described by a metes and bounds description attached hereto as Exhibit "A" and depicted in the drawing attached hereto as Exhibit "B", should be included in such proposed Reinvestment Zone; and

WHEREAS, all owners of property located within the proposed Reinvestment Zone, and all other taxing units and other interested persons, were given the opportunity at such public hearing to protest the creation of the proposed Reinvestment Zone or the inclusion of their property in such Reinvestment Zone; and

WHEREAS, the proponents of the Reinvestment Zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the Reinvestment Zone, and no opponents of the Reinvestment Zone appeared to contest creation of the Reinvestment Zone; and

WHEREAS, after considering all testimony and evidence offered at the public hearing, the City Council finds that improvements in the Reinvestment Zone will enhance significantly the value of all taxable real property in the Zone, will be of general benefit to the City of Sherman, and that it will be in the public interest to pass this ordinance creating a Reinvestment Zone;

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

SECTION 1. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 2. That the City, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

(a) That the public hearing on adoption of the Reinvestment Zone has been properly called, held and conducted, and that notice of such hearing has been published as required by law;

(b) That the City has jurisdiction to hold and conduct this public hearing on the creation of the proposed Reinvestment Zone, pursuant to the CODE;

(c) That creation of the proposed Zone, with boundaries as described in Exhibits "A" and "B", will result in benefits to the City, its residents and property owners, and to the property, residents and property owners in the Reinvestment Zone; and

(d) That the Reinvestment Zone, as defined in Exhibits "A" and "B", meets the criteria for the creation of a Reinvestment Zone as set forth in Section 312.202 of the CODE in that:

(1) It is a contiguous geographic area located wholly within the corporate limits of the City.

(2) The area will reasonably be likely, as a result of the designation, to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property and that would contribute to the economic development of the City.

(3) No part of the property in the Reinvestment Zone is owned or leased by a member of the governing body of the City or Town, or by a member of a zoning or planning board or commission of the City.

(4) Improvements in the Reinvestment Zone will enhance significantly the value of all taxable real property in the Reinvestment Zone.

SECTION 3. That the City hereby creates a Reinvestment Zone over the area described by the description in Exhibit "A", attached hereto and depicted in a drawing attached hereto as Exhibit "B", and such Reinvestment Zone shall hereafter be identified as the Industrial Reinvestment Zone, Number 112010-1, City of Sherman, Texas (the "Zone").

SECTION 4. That the written agreement(s) as provided in the CODE, with the owners of the property located within the Reinvestment Zone, is hereby authorized for a period of up to ten (10) years, and the written agreement(s) shall provide an exemption from taxation of the increased value in the real and/or personal property in the percentages and for the years to be established in the agreements.

SECTION 5. That, if any section, paragraph, clause, or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 6. That it is hereby officially found, determined, and declared that a sufficient written notice of the date, hour, place, and subject of the meeting of the City Council at which this ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Government Code, as amended, and that 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. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

SECTION 7. That the contents of the notice of public hearing, which hearing was held before the City Council on the 15th day of November, 2010, and the publication of said notices, is hereby ratified, approved, and confirmed.

1ST READING this the _____ day of _____, 2010.

2ND READING this the _____ day of _____, 2010.

EFFECTIVE DATE: _____ day of _____, 2010.

CITY OF SHERMAN, TEXAS

BY: _____
BILL MAGERS, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

EXHIBIT "A"

INDUSTRIAL REINVESTMENT ZONE, NUMBER 112010-1,
CITY OF SHERMAN, TEXAS
FIELD NOTES

EXHIBIT "A"

Situated in the City of Sherman, Grayson County, Texas, being a part of the Sherod Dunman Survey, Abstract No. 329, and being all of Lot 1 and Block 1 of Northgate Technology Park, an addition to said City of Sherman as shown by plat of record in Volume 12, Page 43, Plat Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows:

Beginning at a chiseled "X" cut found in concrete maintaining the Northwest corner of the said Lot 1, Block 1, and addition at the point of intersection of the center of a public road locally known as Howe Drive with the South right-of-way line of F. M. Highway No. 1417, said point also being the Northeast corner of the 183.567 acre tract of land conveyed by James S. Hudson, Trustee, to The Folger Coffee Company by deed dated February 27, 1978, recorded in Volume 1425, Page 180, Deed Records, Grayson County, Texas;

Thence in an Easterly direction with said South right-of-way line of Highway No. 1417 and the North line of said addition the following calls and distances:

North 74°59'00" East, a distance of 21.91 feet to an angle point;
North 56°43'07" East, a distance of 159.54 feet to a concrete monument;
North 74°59'00" East, a distance of 577.60 feet to an angle point;
North 80°41'38" East, a distance of 119.06 feet to a 1/2" steel rod set marking the most Northerly Northeast corner of the said addition;

Thence in a Southeasterly direction along the West side of an access roadway with an East line of the said addition the following calls and distances:

South 15°05'23" East, a distance of 94.50 feet to a 1/2" steel rod found;
South 26°02'25" East, a distance of 35.83 feet to a 1/2" steel rod found;
South 37°41'22" East, a distance of 25.56 feet to a 1/2" steel rod found;
South 46°29'04" East, a distance of 23.57 feet to a 1/2" steel rod found;
South 55°41'37" East, a distance of 12.75 feet to a 1/2" steel rod found;
South 57°43'19" East, a distance of 205.54 feet to a 1/2" steel rod found maintaining an inside "L" corner of said addition;

Thence North 75°47'00" East with a North line of said addition a distance of 475.39 feet to a 1/2" steel rod found maintaining the Northwest corner of the 0.7688 acre tract of land conveyed by Greater Sherman, Inc., to the City of Sherman by deed dated November 8, 1978, recorded in Volume 1455, Page 265, said Deed Records;

Thence Southerly with the West line of the said 0.7688 acre tract and East line of said addition in a branch the following calls and distances:

South 57°37'00" East, a distance of 71.12 feet;
South 06°00'00" East, a distance of 53.00 feet;
South 06°48'00" West, a distance of 59.50 feet;
South, a distance of 48.43 feet to the Southwest corner of the said 0.7688 acre tract on the North side of a Texas Highway Department Channel Easement;

Thence South 05°04'31" West across said Easement for a total distance of 173.89 feet to the most Easterly Southeast corner of said addition in the center of a creek;

Thence in a Southerly and Westerly direction up the meanders of said center of creek the following calls and distances:

South 69°46'09" West, a distance of 75.53 feet;
South 05°54'16" East, a distance of 63.70 feet;
North 76°18'04" West, a distance of 57.40 feet;
South 12°31'55" West, a distance of 39.23 feet;
North 73°43'51" West, a distance of 86.56 feet;
South 01°15'55" East, a distance of 57.33 feet;
South 61°33'32" West, a distance of 25.91 feet;
North 29°06'44" West, a distance of 28.23 feet;
South 62°57'11" West, a distance of 26.52 feet;
South 26°24'54" West, a distance of 31.56 feet;
South 77°46'13" West, a distance of 30.30 feet;
North 64°55'57" West, a distance of 25.77 feet;
South 76°41'32" West, a distance of 61.97 feet;
South 09°21'14" East, a distance of 42.49 feet;
South 56°44'29" West, a distance of 15.52 feet;
North 27°42'25" West, a distance of 40.76 feet;
South 53°07'18" West, a distance of 49.70 feet;
South 34°46'51" East, a distance of 37.00 feet;
South 52°17'02" West, a distance of 46.67 feet;
South 81°43'39" West, a distance of 78.14 feet;
North 28°45'58" West, a distance of 62.71 feet;
South 82°41'18" West, a distance of 22.33 feet;
South 17°02'27" West, a distance of 33.81 feet;
South 44°30'28" West, a distance of 19.59 feet;
South 73°38'45" West, a distance of 42.84 feet;
South 03°12'35" West, a distance of 187.90 feet;
South 60°49'12" West, a distance of 99.25 feet;
South 79°07'09" West, a distance of 137.20 feet;
South 83°07'38" West, a distance of 65.14 feet;
North 79°48'26" West, a distance of 16.93 feet to the most Southerly Southwest corner of said addition;

Thence North 13°05'48" West, leaving said creek, passing a 1/2" steel rod found at 50 feet and continuing for a total distance of 247.74 feet to a 1/2" steel rod found maintaining an inside "L" corner;

Thence South 76°54'12" West, passing a 1/2" steel rod found in the East line of said Howe Drive at 368.68 feet and continuing for a total distance of 398.68 feet to a chiseled "X" cut found maintaining the most Westerly Southwest corner of said addition the said center of Howe Drive;

Thence North 13°05'48" West with said center of Howe Drive and West line of said addition a distance of 709.26 feet to the Point-of-Beginning and containing 24.808 acres of land more or less.....

EXHIBIT "B"

INDUSTRIAL REINVESTMENT ZONE, NUMBER 112010-1, CITY OF SHERMAN, TEXAS
VICINITY MAP

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. F.3

ADJOURNMENT

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 11-1-2010

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2010

CITY COUNCIL MEETINGS

JANUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	~~4~~	5	6	7	8	9
10	11	12	13	14	15	16
17	**18**	19	20	21	22	23
24	25	26	27	28	29	30
31						

FEBRUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	**15**	16	17	18	19	20
21	22	23	24	25	26	27
28						

MARCH

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	**15**	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

APRIL

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	**5**	6	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	22	23	24
25	26	27	28	29	**30**	

MAY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3**	4	5	6	7	8
9	10	11	12	13	14	15
16	**17**	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JUNE

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	15	16	**17**	~~18~~	19
20	**21**	22	23	24	25	26
27	28	29	30			

JULY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	**5**	~~6~~	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	**2**	3	4	5	6	7
8	**9**	10	11	12	13	14
15	**16**	17	18	19	20	21
22	23	24	25	26	27	28
29	30	**31**				

SEPTEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	**6**	**7**	8	9	10	11
12	13	14	15	16	17	18
19	**20**	21	22	**23**	24	25
26	27	28	29	30		

OCTOBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	**4**	5	6	7	8	9
10	11	12	13	14	15	16
17	**18**	19	20	21	22	23
24	25	26	27	28	29	30
31						

NOVEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	**2**	3	4	5	6
7	8	9	10	11	12	13
14	**15**	16	17	18	**19**	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	**6**	7	8	9	10	11
12	13	14	15	16	17	18
19	**20**	21	22	23	24	25
26	27	28	29	30	31	

01/04/10 - January 4th Council meeting cancelled - holiday schedules
01/18/10 - M.L.K., Jr. Birthday / Regular Council Meeting
02/15/10 - Washington's Birthday / Regular Council Meeting
04/30/10 - 12 Noon Budget Planning Meeting in Council Chambers
~~05/08/10 - City Council Election~~
~~05/11/10 - Called Meeting to Canvass Election Results~~
~~06/17-18/10 - Budget Workshop/Long Range Planning Workshop in Council Chambers~~
06/17/10 - Budget Workshop/Long Range Planning Workshop in Council Council Chambers
~~07/05/10 - Independence Day - Called Council Meeting on 07/06/10~~

08/09/10 - 5PM Called (Town Hall) Meeting - Public Hearing on Proposed Charter Amendments for November 2nd Election
08/31/10 - 12 Noon Called Meeting for Executive Session
09/06/10 - Labor Day / Called Council Meeting on 09/07/10
09/23/10 - 12 Noon Joint Meeting with SEDCO Board
09/23/10 - 3:30 PM Called Meeting - Focus Group Session for Sherman Govt. Agencies on Sherman Fair Housing Impediment Analysis
11/02/10 - Called Charter Amendment Election
11/15/10 - Canvass of Election Results during Regular Meeting
11/19/10 - 9AM Long-Term Planning Meeting