

**CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
SHERMAN POLICE DEPARTMENT HEADQUARTERS
2600 W. TRAVIS STREET
SHERMAN, TEXAS
MONDAY, MARCH 3, 2025
5:00 PM**

- A.1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A.2. PLEDGE OF ALLEGIANCE AND INVOCATION LED BY COUNCIL MEMBER JOSH STEVENSON.**
- A.3. APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF FEBRUARY 17, 2025.**

Citizen Comments

B.1. CITIZEN COMMENTS

During this meeting, the City Council welcomes public comment only on agenda items listed under the Open Meeting portion of the agenda, in accordance with Texas Government Code Section 551.007. For items not listed on the agenda, those matters may be discussed with City staff during regular business hours, or with the Mayor or any Council member by contacting them at times other than at City Council meetings.

Consent Agenda

C.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

Proclamations

D.1. PROCLAMATION

"American Red Cross Month" - March 2025

Public Hearing

E.1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6814

Amending The Code Of Ordinances Of The City Of Sherman, Texas, Appendix C (Comprehensive Fee Schedule); Modifying Certain Existing Fees Related To The Heritage Row Historical District Permit Applications; Providing A Penalty Clause With A Maximum Fine Of \$2,000, Savings/Repealing Clause, Severability Clause And An Effective Date; Providing For The Publication Of The Caption Hereof

E.2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6815

Abandoning Water Line Easement Located in the City of Sherman, Grayson County, Texas, being more particularly described in the Exhibit "A" Attached Hereto and Made a Part Hereof for all Purposed, which Deed Records of Grayson County, Texas

Close Public Hearing and Consider Adoption of Ordinances

F.1. CLOSE PUBLIC HEARING

Consider Adoption of Ordinance No. 6814 & 6815

Resolutions

G.1. RESOLUTION NO. 7483

Authorizing Execution of a Commercial Contract - Unimproved Property with Mt. Carmel Church of God for the Purchase of Approximately 0.87 Acres of Land Generally Located at the Corner of Vernon Holland Memorial Drive and N. Broughton Street in the City of Sherman, Texas

G.2. RESOLUTION NO. 7484

Awarding a Bid to and Authorizing Execution of a Contract with A T Construction LLC Based on an Invitation to Bid for the Center Street Bridge Rehab Project

G.3. RESOLUTION NO. 7485

Approving and Authorizing Publication and Posting of Notice of Intention to Issue Certificates of Obligation

G.4. RESOLUTION NO. 7486

Awarding a Bid to and Authorizing Execution of a Contract Between GDC Industrial Inc. and the Greater Texoma Utility Authority Based on an Invitation to Bid for the Post Oak Wastewater Treatment Plant Electrical Upgrades Project

G.5. * RESOLUTION NO. 7487

Authorizing the Execution of a Radio System License Agreement between the Texas Area Solid Waste Authority and the City of Sherman

G.6. * RESOLUTION NO. 7488

Authorizing the Purchase of a Kubota Tractor for the Parks Maintenance Department

G.7. * RESOLUTION NO. 7489

Authorizing Execution of an Agreement with Glenda Sue Jacobs Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 321 W. Houston Street

G.8. * RESOLUTION NO. 7490

Authorizing Execution of an Agreement with 200 N Travis LP Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 200 N Travis Street

G.9. * RESOLUTION NO. 7491

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 112 W Lamar Street

G.10. * RESOLUTION NO. 7492

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 210 S Travis Street

G.11. * RESOLUTION NO. 7493

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 208 S Travis Street

G.12. * RESOLUTION NO. 7494

Authorizing Execution of an Agreement with RP Sherman Properties II, LLC Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 219-221 W Houston Street

Request to Advertise

H.1. * REQUEST TO ADVERTISE

Annual Purchase of Water Meters for the City of Sherman Automated Meter Reading System

Change Orders

I.1. *CHANGE ORDER NO. 1

Approving the Greater Texoma Utility Authority's Intention to Execute Proposed Change Order #1 with Viking Painting, LLC

Other Business

J.1. OTHER BUSINESS

Receive Presentation on Potential Commercial Demolition

J.2. OTHER BUSINESS

Accept Annual Audit Report for the Year Ended September 30, 2024, from Weaver and Tidwell, L.L.P.

J.3. OTHER BUSINESS

Consider and Act on Authorizing Disbursements to or Creation of Financial Obligations by Elected Officials under Article X, Section 2(e) of the Sherman Home Rule Charter

COUNCIL COMMENTS

EXECUTIVE SESSION

In accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the City Council may hold an Executive Session if the discussion of any of the items identified in this agenda, or any of the items identified below, concern one or more of the following:

L.1. TEX. GOV'T CODE § 551.071

Seeking the advice of its attorney about pending or contemplated litigation, settlement offers or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

a) Receive legal advice regarding Chapter 3000 of the Texas Government Code.

b) Receive legal advice regarding City Manager retirement

L.2. TEX. GOV.'T CODE § 551.072

Deliberating the purchase, exchange, lease or value of real property if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.

a) F. M. 1417 right-of-way negotiations.

L.3. TEX. GOV'T CODE § 551.073

Deliberating a negotiated contract for a prospective gift or donation to the City if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.

Any item on this posted agenda may be discussed in Executive Session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code

L.4. TEX. GOV'T CODE § 551.074

Deliberating the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing

- a) Planning and Zoning Commission (1)

L.5. TEX. GOV'T CODE § 551.076

Deliberating the deployment, or specific occasions for implementation, of security personnel or devices or a security audit.

L.6. TEX. GOV'T CODE § 551.087

Discussing or deliberating commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay or expand in or near the City and with which the City is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect.

- a) Crossroads Development

L.7. TEX. GOV'T CODE § 551.089

Deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementation of security personnel, critical infrastructure or security devices.

The Council reconvenes into General Session

COUNCIL CALENDAR

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Regular Meeting of the City Council of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on Thursday, February 27, 2025 at 4:59 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 27th day of February 2025. City of Sherman, Texas

City Clerk

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time. All agenda items are subject to final action by the City Council.

An unscheduled closed executive session may be held if the discussion of any of the above agenda items concerns the purchase, exchange, lease or value of real property; the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; the deployment or use of security personnel or equipment; or requires consultations with the City Attorney.

At the discretion of the City Council, non-agenda items under the headings of "Citizens Requests", "Media Questions", and "Council Concerns" may be presented to the Council for informational purposes; however, by law, the Council shall not discuss, deliberate, or vote upon such matters except that a statement of specific factual information, a recitation of existing policy, and deliberations concerning the placing of the subject on a subsequent agenda may take place.

The City Attorney has approved the Executive Session items on this agenda

Any item on this posted agenda may be discussed in Executive Session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code

PERSONS WITH DISABILITIES, WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT LINDA ASHBY AT (903) 892-7204, TWO (2) WORKING DAYS PRIOR TO THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

Mayor

Shawn C.
Teamann

Deputy Mayor

Juston Dobbs

Council Members

Henry Marroquin, Council-At-Large, PL #1
Juston Dobbs, Council-At-Large, PL #2
Clay Barnett, Council – District #1

Josh Stevenson, Council – District #2
Pamela L. Howeth, Council – District #3
Daron Holland, Council – District #4

STATE OF TEXAS §
 February 17, 2025
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 Community Room of the Sherman Police Headquarters, 2600 W. Travis Street, on February 17, 2025.

MEMBERS PRESENT: MAYOR SHAWN TEAMANN.
 COUNCIL MEMBERS BARNETT, HOLLAND, HOWETH,
 MARROQUIN, STEVENSON.

MEMBERS ABSENT: DEPUTY MAYOR JUSTON DOBBS.

CALL TO ORDER

Mayor Teamann called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were led by Council Member Clay Barnett.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of February 3, 2025. Council Member Howeth moved to approve the Minutes, as presented; Second by Council Member Barnett; All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

CITIZEN'S COMMENTS

There were no citizen's comments.

CITIZEN'S COMMENTS

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.

CONSENT AGENDA

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

Mayor Teamann introduced Ordinance No. 6809 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, TO REZONE A TRACT OF LAND BEING A REPLAT OF LOTS A, A-2 AND C OF TAYLOR PLAZA AND LOT 1 OF THE ALTONA'S REPLAT OF LOT B, TAYLOR PLAZA, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, LOCATED AT 719-725 EAST TAYLOR STREET AND 2000-2030 NORTH LOY LAKE ROAD, HERETOFORE M-1 (LIGHT MANUFACTURING) DISTRICT AND C-2 (GENERAL COMMERCIAL) DISTRICT; REZONING AND PLACING THE TRACT IN THE C-2 (GENERAL COMMERCIAL) DISTRICT ZONING CLASSIFICATION, ALTONA, INC (OWNER), BARKAT ALI (REPRESENTATIVE) AND UNDERWOOD DRAFTING & SURVEYING (SURVEYOR) PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A

ORD 6809
ZONE CHANGE
(719-725 E. TAYLOR ST
& 2000-2030 N. LOY
LAKE RD)

REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Rob Rae, Director of Development Services, said the property owner requested the zone change. They are already conforming to commercial standards. The Planning and Zoning Commission recommended approval of the zone change.

No citizens appeared before the City Council to discuss Ordinance No. 6809.

Ordinance 6810

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, AND GRANTING A SPECIFIC USE PERMIT TO ALLOW A SECONDHAND STORAGE OR RUMMAGE SHOP IN A C-2 (GENERAL COMMERCIAL DISTRICT, LOCATED AT 4800 TEXOMA PARKWAY, SUITE B401B, CONSISTING OF 42.8134 ACRES BEING IN THE JOHN HENDRIX SURVEY, ABSTRACT NO. 503, THE W.F. PATTERSON SURVEY, ABSTRACT NO. 969 THE DANIEL SHELPS SURVEY, ABSTRACT NO. 1097 AND THE T.J. SHANNON SURVEY, ABSTRACT NO. 1136, LOTS 1 AND 3, BLOCK 1, MIDWAY MALL, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS SCOTT CRESSWELL (OWNER), KERRY SMITH (REPRESENTATIVE) AND OLD REPUBLIC (SURVEYOR) PRESCRIBING CONDITIONS TO THE SPECIFIC USE PERMIT; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6810
SUP FOR
SECONDHAND
STORE/RUMMAGE
SHOP
(4800 TEXOMA PKWY)

Mr. Rae said this Specific Use Permit is for a flea market at the old Midway Mall facility. The Planning and Zoning Commission recommended approval of the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6810.

Mayor Teamann introduced Ordinance No. 6811 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REPEALING ORDINANCE NO. 6410 AND AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, , TO REZONE A TRACT OF LAND, CONSISTING OF 288.278 ACRES IN THE SHERROD DUNMORE SURVEY, ABSTRACT NO. 329, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, LOCATED IN THE 300-1000 BLOCK EAST FM 1417 (VIETNAM VETERANS PARKWAY), HERETOFORE ZONED PD (PLANNED DEVELOPMENT) DISTRICT AND R-6 (SINGLE FAMILY RESIDENTIAL) DISTRICT, C-1 (RETAIL BUSINESS) DISTRICT AND C-2 (GENERAL COMMERCIAL) DISTRICT; REZONING AND PLACING THE TRACT IN THE BEL AIR VILLAGE PD (PLANNED DEVELOPMENT) DISTRICT CLASSIFICATION; MODIFYING CERTAIN DEVELOPMENT STANDARDS APPLICABLE TO THE BEL AIR VILLAGE PD (PLANNED DEVELOPMENT) DISTRICT CLASSIFICATION AND ADDING A 9.9645-ACRE TRACT OF LAND

ORD 6811
ZONE CHANGE
(300-1000 BLOCK
E. FM 1417)

TO THE BEL AIR VILLAGE PD (PLANNED DEVELOPMENT) DISTRICT; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Mr. Rae said this requested zone change was for 10 acres on the north side of the Bel Air Planned Development. The developer would like to include detached town homes in that portion of the development.

The Planning and Zoning Commission approved the addition of the 10 acres into the Planned Development and the zoning amendment for the detached town homes.

Steve Leonard, Leonard Development, 1801 Wittington Place, Suite 225, Farmers Branch, Texas 75234

He said the additional 10 acres to be annexed into the project would be part of the Village Center, which are for retail and commercial uses.

They are requesting to add another lot type in the southwest corner of the development, which would be the detached town homes. These homes would still be 22-foot-wide on 25-foot-wide lots, with a zero-lot line on one side and three foot on the other, and a front entry.

No other citizens appeared before the City Council to discuss Ordinance No. 6811.

Mayor Teamann introduced Ordinance No. 6812 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, TO REZONE A TRACT OF LAND CONSISTING OF 0.674 ACRES BEING PART OF LOTS 1, 3, 5 AND 7, BLOCK 26 OF THE ORIGINAL TOWN PLAT, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, LOCATED IN THE 500 BLOCK EAST LAMAR STREET, HERETOFORE ZONED M-1 (LIGHT MANUFACTURING) DISTRICT; REZONING AND PLACING THE TRACT IN THE C-2 (GENERAL COMMERCIAL) DISTRICT ZONING CLASSIFICATION, JE HOLDINGS, LLC (OWNER), KENT HUGHLETT (REPRESENTATIVE) AND UNDERWOOD DRAFTING & SURVEYING (SURVEYOR) PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6812
ZONE CHANGE
(500 BLOCK
E. LAMAR ST)

Mr. Rae said the property owner has requested the zone change to construct a single commercial building. The Planning and Zoning Commission recommended approval of the zone change.

No citizens appeared before the City Council to discuss Ordinance No. 6812.

Mayor Teamann introduced Ordinance No. 6813 and called for a public hearing:

ORD 6813
ZONE CHANGE
(5600 BLOCK

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, TO REZONE A TRACT OF LAND CONSISTING OF 11.067 ACRES IN THE JOHN JENNINGS SURVEY, ABSTRACT NO. 647, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, LOCATED IN THE 4600 BLOCK NORTH TRAVIS STREET, HERETOFORE ZONED R-6 (SINGLE FAMILY RESIDENTIAL) DISTRICT; REZONING AND PLACING THE TRACT IN THE R-4 (SINGLE FAMILY RESIDENTIAL) DISTRICT ZONING CLASSIFICATION, RAFEEQ ALI DAREDIYA, ROSHAN BUILDING COMPANY, LLC (OWNER) AND HELVEY-WAGNER SURVEYING, INC. (SURVEYOR) PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

N. TRAVIS ST)

Mr. Rae said the request is for single family development, because the developers are constrained on the east side, with floodplain. The proposal would be for 42 lots, 40 foot wide. The Planning and Zoning Commission recommended approval of the zone change.

No citizens appeared before the City Council to discuss Ordinance No. 6813.

The Public Hearing was closed.

Ordinance 6809

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, TO REZONE A TRACT OF LAND BEING A REPLAT OF LOTS A, A-2 AND C OF TAYLOR PLAZA AND LOT 1 OF THE ALTONA'S REPLAT OF LOT B, TAYLOR PLAZA, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, LOCATED AT 719-725 EAST TAYLOR STREET AND 2000-2030 NORTH LOY LAKE ROAD, HERETOFORE M-1 (LIGHT MANUFACTURING) DISTRICT AND C-2 (GENERAL COMMERCIAL) DISTRICT; REZONING AND PLACING THE TRACT IN THE C-2 (GENERAL COMMERCIAL) DISTRICT ZONING CLASSIFICATION, ALTONA, INC (OWNER), BARKAT ALI (REPRESENTATIVE) AND UNDERWOOD DRAFTING & SURVEYING (SURVEYOR) PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6809
ZONE CHANGE
(719-725 E. TAYLOR ST
& 2000-2030 N. LOY
LAKE RD)

Ordinance 6810

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, AND GRANTING A SPECIFIC USE PERMIT TO ALLOW A SECONDHAND STORAGE OR RUMMAGE SHOP IN A C-2 (GENERAL COMMERCIAL DISTRICT, LOCATED AT 4800 TEXOMA PARKWAY, SUITE B401B, CONSISTING OF 42.8134 ACRES BEING IN THE JOHN HENDRIX SURVEY, ABSTRACT NO. 503, THE W.F. PATTERSON SURVEY, ABSTRACT NO. 969 THE DANIEL SHELPS SURVEY, ABSTRACT NO. 1097 AND THE T.J. SHANNON SURVEY, ABSTRACT NO. 1136, LOTS 1 AND 3, BLOCK 1, MIDWAY MALL, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS SCOTT

ORD 6810
SUP FOR
SECONDHAND
STORE/RUMMAGE
SHOP
(4800 TEXOMA PKWY)

CRESSWELL (OWNER), KERRY SMITH (REPRESENTATIVE) AND OLD REPUBLIC (SURVEYOR) PRESCRIBING CONDITIONS TO THE SPECIFIC USE PERMIT; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ACTION TAKEN.

Motion by Council Member Stevenson to approve Ordinance Nos. 6809 and 6810, as presented. Second by Council Member Howeth.

VOTING AYE: Teamann, Barnett, Holland, Howeth, Marroquin, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

Ordinance 6811

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REPEALING ORDINANCE NO. 6410 AND AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, , TO REZONE A TRACT OF LAND, CONSISTING OF 288.278 ACRES IN THE SHERROD DUNMORE SURVEY, ABSTRACT NO. 329, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, LOCATED IN THE 300-1000 BLOCK EAST FM 1417 (VIETNAM VETERANS PARKWAY), HERETOFORE ZONED PD (PLANNED DEVELOPMENT) DISTRICT AND R-6 (SINGLE FAMILY RESIDENTIAL) DISTRICT, C-1 (RETAIL BUSINESS) DISTRICT AND C-2 (GENERAL COMMERCIAL) DISTRICT; REZONING AND PLACING THE TRACT IN THE BEL AIR VILLAGE PD (PLANNED DEVELOPMENT) DISTRICT CLASSIFICATION; MODIFYING CERTAIN DEVELOPMENT STANDARDS APPLICABLE TO THE BEL AIR VILLAGE PD (PLANNED DEVELOPMENT) DISTRICT CLASSIFICATION AND ADDING A 9.9645-ACRE TRACT OF LAND TO THE BEL AIR VILLAGE PD (PLANNED DEVELOPMENT) DISTRICT; PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6811
ZONE CHANGE
(300-1000 BLOCK
E. FM 1417)
(TABLED)

Council Member Stevenson was concerned about safeguards that there would be limited detached town homes. Mr. Rae said this specific development type is strictly for Bel Air, and could not be used anywhere else in the City. It would also only apply to this portion of the development as an "alternate variation."

Council Member Barnett said the concern is over building materials. Council Member Stevenson agreed and said he would like assurances.

Mr. Rae said they could work with the Legal Department to add these safeguards. Mayor Teamann said their Planned Development already has some restrictions on building materials. Ryan Pittman, City Attorney, said State law would require the City to enter into an agreement with the land owner, to enforce the building materials requirement.

Mr. Leonard expressed concern about the possible change in the cost of materials. He thought they could be tied to design guidelines.

ACTION TAKEN.

Motion by Council Member Stevenson to table Ordinance No. 6811. Second by Council Member Barnett.

VOTING AYE: Teamann, Barnett, Howeth, Stevenson.

VOTING NAY: Holland, Marroquin.

MOTION CARRIED TO TABLE.

Ordinance 6812

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, TO REZONE A TRACT OF LAND CONSISTING OF 0.674 ACRES BEING PART OF LOTS 1, 3, 5 AND 7, BLOCK 26 OF THE ORIGINAL TOWN PLAT, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, LOCATED IN THE 500 BLOCK EAST LAMAR STREET, HERETOFORE ZONED M-1 (LIGHT MANUFACTURING) DISTRICT; REZONING AND PLACING THE TRACT IN THE C-2 (GENERAL COMMERCIAL) DISTRICT ZONING CLASSIFICATION, JE HOLDINGS, LLC (OWNER), KENT HUGHLETT (REPRESENTATIVE) AND UNDERWOOD DRAFTING & SURVEYING (SURVEYOR) PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6812
ZONE CHANGE
(500 BLOCK
E. LAMAR ST)

Ordinance 6813

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SHERMAN'S ZONING ORDINANCE/CODE OF ORDINANCES CHAPTER 14, TO REZONE A TRACT OF LAND CONSISTING OF 11.067 ACRES IN THE JOHN JENNINGS SURVEY, ABSTRACT NO. 647, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, LOCATED IN THE 4600 BLOCK NORTH TRAVIS STREET, HERETOFORE ZONED R-6 (SINGLE FAMILY RESIDENTIAL) DISTRICT; REZONING AND PLACING THE TRACT IN THE R-4 (SINGLE FAMILY RESIDENTIAL) DISTRICT ZONING CLASSIFICATION, RAFEEQ ALI DAREDIYA, ROSHAN BUILDING COMPANY, LLC (OWNER) AND HELVEY-WAGNER SURVEYING, INC. (SURVEYOR) PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000.00; PROVIDING A REPEALING/SAVINGS CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

ORD 6813
ZONE CHANGE
(4600 BLOCK
N. TRAVIS ST)

Mayor Teamann asked if there will be oversized detention to help flooding downstream, that has been a problem for years.

Phillip Saenz, 6013 Dusty Road, Fort Worth

Mr. Saenz appeared representing the Engineer on this project. He said they are planning to include a detention pond in the back part of the property.

Clint Philpott, Assistant City Manager, wasn't sure that an oversize detention pond would have any impact downstream, because this development is so small. He added that the City worked with

Magnolia Village when they constructed their detention pond, to oversize it and help reduce some of the flooding.

Mayor Teamann verified that the tract is about 10 acres, and half of it is in the floodplain.

ACTION TAKEN.

Motion by Council Member Stevenson to approve Ordinance Nos. 6812 and 6813, as presented. Second by Council Member Barnett.

VOTING AYE: Teamann, Barnett, Holland, Howeth, Marroquin, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 7481 -- AUTHORIZING EXECUTION OF A STANDARD FORM OF AGREEMENT BETWEEN THE CITY OF SHERMAN AND HIDELL AND ASSOCIATES ARCHITECTS, INC. FOR PROFESSIONAL SERVICES RELATING TO THE RENOVATION OF FIRE STATION NO. 3.

RES 7481
FIRE STATION
NO. 3
RENOVATION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A STANDARD FORM OF AGREEMENT BETWEEN OWNER (CITY OF SHERMAN) AND ARCHITECT (HIDELL AND ASSOCIATES ARCHITECTS, INC.) FOR PROFESSIONAL SERVICES RELATING TO THE RENOVATION OF FIRE STATION NO. 3.

Billy Hartsfield, Fire Chief, said a plan for the renovation of Fire Station No. 3, was presented during the Budget Workshop. The renovation would add 1,700 square feet to the facility, and would add some bunk rooms, bathroom, and a small addition to the kitchen area. There are also some safety measures that will be included.

ACTION TAKEN.

Motion by Council Member Stevenson to approve Resolution No. 7481, as presented. Second by Council Member Holland.

VOTING AYE: Teamann, Barnett, Holland, Howeth, Marroquin, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 7482 -- AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE RESERVATION OF PROPERTY OF 0.513 ACRES BEING PART OF EAST STREET IN SHERMAN, TEXAS
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE RESERVATION OF PROPERTY FOR 0.513 ACRES BEING PART OF EAST STREET IN SHERMAN, TEXAS.

RES 7482
RESERVATION
OF PROPERTY
(EAST ST)

Wayne Lee, Director of Engineering, said the Council had abandoned a portion of East Street in 1999. At the time, the City owned both sides of the road, and “gated” it off.

Three Oaks Development has a new subdivision to the west of East Street, and there was some land swapping with the developer. Allen Drive, located in the new subdivision, will connect to the previously closed East Street. The proposed right-of-way reservation will allow public traffic to access the new subdivision.

ACTION TAKEN.

Motion by Council Member Howeth to approve Resolution No. 7482, as presented. Second by Council Member Barnett.

VOTING AYE: Teamann, Barnett, Holland, Howeth, Marroquin, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

CHANGE ORDER NO. 1

APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO EXECUTE PROPOSED CHANGE ORDER #1 WITH RED RIVER CONSTRUCTION

**WATER TREATMENT
PLANT EXPANSION**

Mr. Lee introduced the Greater Texoma Utility Authority's proposed Change Order No. 1 with Red River Construction, for the upgrades to the existing Water Treatment Plant Expansion.

During the rehabilitation work, it was determined that the electrical panels were located in an area subject to chemical attack, and were in need of replacement. It was proposed to change the electrical panels and move them to another location.

The Change Order is for \$212,440.12, or an 11.66% increase in the contract, which is still under budget for the project. This work was not included or foreseen in the original contract.

ACTION TAKEN.

Motion by Council Member Howeth to approve Change Order No. 1, in the amount of \$212,440.12, to Red River Construction, as presented. Second by Council Member Stevenson.

VOTING AYE: Teamann, Barnett, Holland, Howeth, Marroquin, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

OTHER BUSINESS

CONSIDER AND ACT ON PETITION FROM BM DORCHESTER, LLC RELATED TO 215.288 ACRES OF LAND LOCATED IN THE ANTONIO HERNANDEZ SURVEY, ABSTRACT NO. 488, GRAYSON COUNTY, TEXAS, A PORTION OF WHICH IS LOCATED WITHIN THE CITY OF SHERMAN'S EXTRATERRITORIAL JURISDICTION ("ETJ").

**PETITION FOR
REMOVAL FROM ETJ**

Mr. Philpott said this was a request for removal of 215.288 acres of land from the City's Extraterritorial Jurisdiction. As with all other similar requests, the staff recommends denial. They feel that keeping the property in the ETJ allows the City to continue to hold them to the development ordinances.

ACTION TAKEN.

Motion by Council Member Stevenson to deny the petition submitted by BM Dorchester, LLC, for the release of property

from the City's Extraterritorial Jurisdiction, because Senate Bill 2038, Local Government Code, Section 42.104 and Section 42.105 are unconstitutional delegations of legislative authority and are in direct and irreconcilable conflict with Local Government Code, Section 42.023, and the City has not consented and does not consent to the release of the property from its ETJ or any reduction of the City's ETJ. Second by Council Member Howeth.

VOTING AYE: Teamann, Barnett, Holland, Howeth, Marroquin, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

CONSIDER AND ACT ON AUTHORIZING THE MAYOR TO EXECUTE A PARTNERSHIP AGREEMENT BETWEEN THE TEXOMA WORKFORCE DEVELOPMENT BOARD AND CHIEF ELECTED OFFICIALS FOR THE TEXOMA WORKFORCE DEVELOPMENT AREA

TEXOMA WORKFORCE
DEVELOPMENT
BOARD

Mayor Teamann said this is an agreement between the City of Sherman and Texoma Workforce Solutions. The law states that the City, along with Cooke, Fannin, and Grayson Counties are the responsible parties for Texoma Workforce, if several "failsafe's" fail. The agreement must be signed each time there is a change in leadership.

Janie Bates, Executive Director, Workforce Solutions Texoma, said the risk is minimal and would be pro-rated between the entities.

ACTION TAKEN.

Motion by Council Member Stevenson to authorize the Mayor to execute a partnership agreement between the Texoma Workforce Development Board and Chief Elected Officials for the Texoma Workforce Development Area, as presented. Second by Council Member Barnett.

VOTING AYE: Teamann, Barnett, Holland, Howeth, Marroquin, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

CONSIDER EXCUSING THE ABSENCE OF COUNCIL MEMBER DARON HOLLAND

EXCUSE ABSENCES
OF COUNCIL
MEMBER DARON
HOLLAND

The City Council excused the absences of Council Member Daron Holland from the Council Meetings of January 6, 2025, January 21, 2025, and February 3, 2025, due to injuries sustained in an automobile collision.

The City's Charter states that a Council Member's failure to "attend three consecutive regular meetings of the Council or a total of six such meetings in any one year" results in a Council Member forfeiting their office, unless the absences are "excused by the Council."

CONSENT AGENDA.

RECEIVE 2024 RACIAL PROFILING REPORT

The City Council accepted the 2024 Racial Profiling Report for the Sherman Police Department. The Department contracts annually with Dr. Alex del Carmen to analyze their Motor Vehicle-Related Contact Information and prepare the annual racial profiling report.

**2024 RACIAL
PROFILING REPORT**

In the past, the report's analysis identified that the Police Department "is engaging in search practices consistent with national trends in law enforcement."

Dr. Del Carmen's report states that there were no "Racial Profiling" complaints filed during 2024, from a traffic stop. He also presented statistics for contacts, searches, consensual searches, and custody arrests, for the various races/ethnicities.

CONSENT AGENDA.

BOARDS/COMMISSION APPOINTMENT

LIBRARY BOARD (2)

LIBRARY BOARD

ACTION TAKEN.

Motion by Council Member Howeth to reappoint Donna Nesbit to the Library Board, for a term from February 5, 2025 to February 5, 2028, and to appoint John West, for a term from February 18, 2025 to February 18, 2028, as presented. Second by Council Member Barnett.

VOTING AYE: Teamann, Barnett, Holland, Howeth, Marroquin, Stevenson.

VOTING NAY: None.

MOTION CARRIED.

COUNCIL COMMENTS

COUNCIL COMMENTS

- The Mayor and several Council Members attended the recent Firemen's Gala and said it was very moving. (Clay Barnett, Shawn Teamann)
- Thanked the Emergency Medical Services for their assistance during a recent vehicle accident, and thanked everyone for their prayers. (Daron Holland)
- Recognized Robby Hefton, City Manager's, last Council Meeting before his retirement, and thanked him for his leadership, and 26 years of service. (Henry Marroquin, Shawn Teamann)
- Recognized events through the Parks and Recreation Department, including the recent Daddy/Daughter Dance. (Shawn Teamann)

ANNOUNCEMENTS

ANNOUNCEMENTS

Mayor Teamann announced the following:

- Parks and Recreation will hold their Annual Fishing Derby at Pebblebrook Pond on March 1, 2025. The event is free for everyone 16 years of age and under.
- Sherman's Annual Celtic Festival will be held on March 21 and March 22, 2025, at Pecan Grove Park.

- The Inaugural Sherman Showdown Food Truck Competition will be held on May 3, 2025, starting at 11:00 a.m., in Downtown Sherman.
- The Cinco de Mayo Celebration will be held on May 3, 2025, also in Downtown Sherman.

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.

TEX. GOV'T CODE § 551.071 --

SEEKING THE ADVICE OF ITS ATTORNEY ABOUT PENDING OR CONTEMPLATED LITIGATION, SETTLEMENT OFFERS OR ANY MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE TEXAS OPEN MEETINGS ACT

TEX. GOV'T CODE § 551.072 --

DELIBERATING THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.073 --

DELIBERATING A NEGOTIATED CONTRACT FOR A PROSPECTIVE GIFT OR DONATION TO THE CITY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON

TEX. GOV'T CODE § 551.074 --

DELIBERATING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE; OR TO HEAR A COMPLAINT OR CHARGE AGAINST AN OFFICER OR EMPLOYEE UNLESS THE OFFICER OR EMPLOYEE WHO IS THE SUBJECT OF THE DELIBERATION OR HEARING REQUESTS A PUBLIC HEARING

TEX. GOV'T CODE § 551.076 --

DELIBERATING THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION, OF SECURITY PERSONNEL OR DEVICES OR A SECURITY AUDIT

TEX. GOV'T CODE § 551.087 --

DISCUSSING OR DELIBERATING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE CITY SEEKS TO HAVE LOCATE, STAY OR EXPAND IN OR NEAR THE CITY AND WITH WHICH THE CITY IS CONDUCTING ECONOMIC DEVELOPMENT

NEGOTIATIONS; OR DELIBERATING THE OFFER OF A FINANCIAL
OR OTHER INCENTIVE TO A BUSINESS PROSPECT

TEXAS GOV'T CODE § 551.089 --

DELIBERATING SECURITY ASSESSMENTS OR DEPLOYMENTS
RELATING TO INFORMATION RESOURCES TECHNOLOGY,
NETWORK SECURITY INFORMATION, OR THE DEPLOYMENT OR
SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY
PERSONNEL, CRITICAL INFRASTRUCTURE OR SECURITY
DEVICES

The Executive Session was not needed.

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at
5:48 p.m.

ADJOURNMENT

MAYOR

CITY CLERK



City Council Regular Meeting

Agenda Item No. C.1.

Meeting Date: 3/3/2025

Prepared By:

Approved By:

Caption:

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

Issue:

G. 5. * RESOLUTION NO. 7487

Authorizing the Execution of a Radio System License Agreement between the Texas Area Solid Waste Authority and the City of Sherman

G. 6. * RESOLUTION NO. 7488

Authorizing the Purchase of a Kubota Tractor for the Parks Maintenance Department

G. 7. * RESOLUTION NO. 7489

Authorizing Execution of an Agreement with Glenda Sue Jacobs Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 321 W. Houston Street

G. 8. * RESOLUTION NO. 7490

Authorizing Execution of an Agreement with 200 N Travis LP Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 200 N Travis Street

G. 9. * RESOLUTION NO. 7491

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 112 W Lamar Street

G. * RESOLUTION NO. 7492

10. Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 210 S Travis Street

G. * RESOLUTION NO. 7493

11. Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 208 S Travis Street

G. * RESOLUTION NO. 7494

12. Authorizing Execution of an Agreement with RP Sherman Properties II, LLC Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 219-221 W Houston Street

H. 1. * REQUEST TO ADVERTISE

Annual Purchase of Water Meters for the City of Sherman Automated Meter Reading System

I. 1. *CHANGE ORDER NO. 1

Approving the Greater Texoma Utility Authority's Intention to Execute Proposed Change Order #1 with Viking Painting, LLC

Background:

Origination:

Financial Consideration:

Staff Recommendation:

Alternatives:

Attachments:

None



City Council Regular Meeting

Agenda Item No. D.1.

Meeting Date: 3/3/2025

Prepared By: Linda Ashby, City Clerk

Approved By: Zachary Flores, Assistant City Manager

Caption:

PROCLAMATION

"American Red Cross Month" - March 2025

Issue:

To present a proclamation recognizing American Red Cross Month.

Background:

In 1943, President Franklin D. Roosevelt issued the first Red Cross Month proclamation. Each year, since that time, the American Red Cross recognizes the compassion of people nationwide and celebrates their commitment to care for one another in times of crisis.

Origination:

The request originated with the Regional Communications Manger of the American Red Cross North Texas Region.

Financial Consideration:

There is no financial consideration.

Staff Recommendation:

It is the staff recommendation to present a proclamation recognizing American Red Cross Month.

Alternatives:

The Council could choose not to present the proclamation.

Attachments:

1. American Red Cross Proclamation

Proclamation

WHEREAS, every day, 10 kindhearted Sherman residents put on a Red Cross vest and provide a beacon of hope for their neighbors, and

WHEREAS, in 2024, the Red Cross proudly provided more than 70 services to Sherman military members, veterans, their families, and caregivers to cope with the challenges of service, and

WHEREAS, more than 350 people were enrolled in Red Cross first aid, CPR, and AED training courses, helping to make Sherman more prepared and resilient in emergencies.

NOW THEREFORE, I, Shawn Teamam, Mayor of the City of Sherman, Texas, by the authority vested in me, do hereby proclaim March 2025

AMERICAN RED CROSS MONTH

in the City of Sherman and encourage all citizens to reach out and support its humanitarian mission.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Sherman to be affixed this the 3rd day of March, 2025.

Mayor

ATTEST:

Linda Ashby
City Clerk





City Council Regular Meeting

Agenda Item No. E.1.

Meeting Date: 3/3/2025

Prepared By: Rob Rae, Developmental Services Director

Approved By: Zachary Flores, Assistant City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6814

Amending The Code Of Ordinances Of The City Of Sherman, Texas, Appendix C (Comprehensive Fee Schedule); Modifying Certain Existing Fees Related To The Heritage Row Historical District Permit Applications; Providing A Penalty Clause With A Maximum Fine Of \$2,000, Savings/Repealing Clause, Severability Clause And An Effective Date; Providing For The Publication Of The Caption Hereof

Issue:

Amending Appendix C: Comprehensive Fee Schedule in the Code of Ordinances to reduce the Heritage Row Historical District application for certificate of appropriateness from \$500.00 to \$75.00.

Background:

On January 3, 1978, City Council approved the establishment of the historical preservation district known as the Heritage Row Historical District. The purpose of the historical district is to preserve the architectural character of the area. In 2022, the application fee to request a certificate of appropriateness was set at \$500.00. The cost of this fee was determined based on city staff time and labor required to facilitate the historical board meeting. The fee as it stands is inconsequential when considering the time spent by staff on these issues. At the last historical board meeting on December 3, 2024, the board asked staff to consider lowering this fee from \$500.00 to \$75.00. It is believed the fee of \$500.00 may discourage property owners from complying with the regulations of the historical district.

Origination:

City of Sherman

Financial Consideration:

None

Staff Recommendation:

Staff recommends that this ordinance be approved.

Alternatives:

The City Council could deny the request.

Attachments:

1. Ordinance No. 6814
2. City of Sherman Heritage Row Historical District Guide

ORDINANCE NO. 6814

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF SHERMAN, TEXAS, APPENDIX C (COMPREHENSIVE FEE SCHEDULE); MODIFYING CERTAIN EXISTING FEES RELATED TO THE HERITAGE ROW HISTORICAL DISTRICT APPLICATION FOR CERTIFICATE OF APPROPRIATENESS; PROVIDING A PENALTY CLAUSE WITH A MAXIMUM FINE OF \$2,000, SAVINGS/REPEALING CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE; PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF; 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 ("City Council") finds that it is necessary to amend Appendix C (Comprehensive Fee Schedule) of the Code of Ordinances, City of Sherman, Texas ("Code of Ordinances") to modify fees for Heritage Row Historical District application for certificate of appropriateness in the City of Sherman, Texas ("City" or "Sherman"); and

WHEREAS, Sherman has complied with all legal notices and public hearings as required by law; and

WHEREAS, the Heritage Row Historical Board met on December 3, 2024, and recommended to City staff that the application fee for a Certificate of Appropriateness be lowered to \$75.00.

WHEREAS, the City Council finds that adopting this Ordinance promotes the health, safety, welfare and morals of Sherman and is in the best interest of the citizens of Sherman.

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

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

SECTION 2: Amendment to the Code of Ordinances, Appendix C (Comprehensive Fee Schedule). The Code of Ordinances, Appendix C (Comprehensive Fee Schedule) is amended as follows¹:

"APPENDIX C: COMPREHENSIVE FEE SCHEDULE

...

(3) Zoning fees.

...

¹ Deletions are evidenced by ~~strikethrough~~; additions are *italicized*.

(B) Special called meetings.

...

Heritage Row Historical Board <i>meeting to consider Application for Certificate of Appropriateness</i>	\$75.00 \$500.00
--	-----------------------------

...”

SECTION 4: Penalty. Any person, firm, corporation or entity violating any provision of this Ordinance, or the Zoning Ordinance, as they exist or may be amended, shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be fined in an amount not exceeding FIVE HUNDRED DOLLARS (\$500.00), unless the violation relates to fire safety, zoning or public health and sanitation, in which case the fine amount shall not exceed TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00). A violation of any provision of this Ordinance shall constitute a separate violation for each calendar day in which it occurs. The penal provisions imposed under this Ordinance shall not preclude Sherman from filing suit to enjoin the violation. Sherman retains all legal rights and remedies available to it pursuant to local, state and federal law.

SECTION 5: Severability. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional and/or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, regardless of whether any one or more sections, subsections, sentences, clauses or phrases is declared unconstitutional and/or invalid.

SECTION 6: Repealing/Savings. The Code of Ordinances shall remain in full force and effect, save and except as amended by this or any other Ordinance. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict, but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 7: Open Meeting. The meeting at which this Ordinance was introduced and passed was open to the public, and public notice of the time, place and purpose of said meeting was given all as required by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, on this 3rd day of March 2025.

Shawn Teamann, Mayor

**ATTESTED AND CORRECTLY
RECORDED:**

Linda Ashby, City Clerk

APPROVED AS TO FORM:

Abernathy, Roeder, Boyd & Hullett, P.C.
Ryan D. Pittman, City Attorneys

Sherman
CLASSIC TOWN. BROAD HORIZON

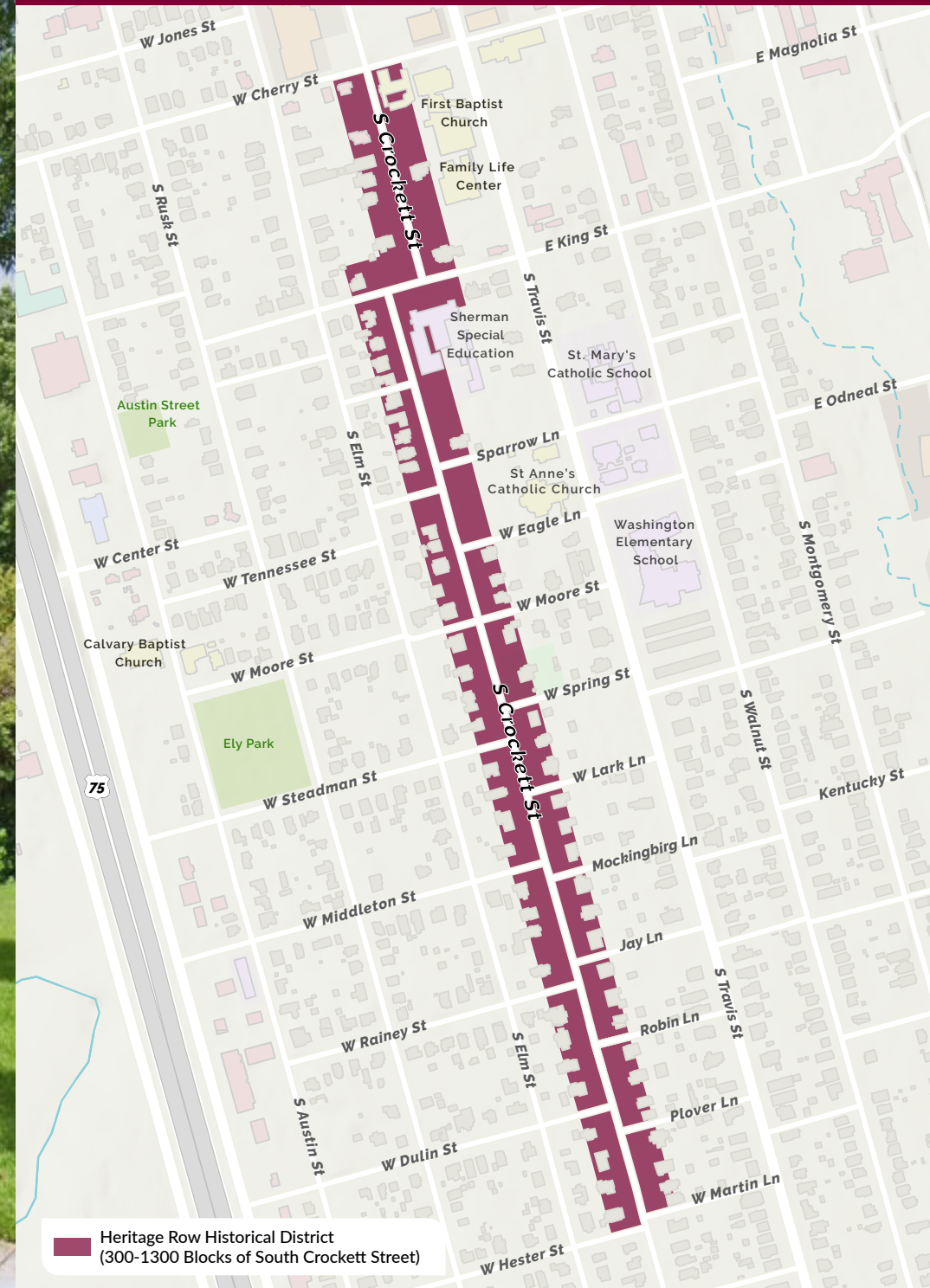
HERITAGE ROW HISTORICAL DISTRICT

On January 3, 1978, City Council approved the establishment of a historical preservation district to be known as the Heritage Row Historical District.

Sherman's historic district was established not to prevent property changes but rather to ensure that changes are compatible with the historic architectural character of the district.

The City of Sherman values these historic properties and is here to help facilitate a process to ensure architecturally compatible modifications.

City of Sherman Heritage Row Historical District



THINGS YOU SHOULD KNOW

Can I make changes to my property?

Yes, although most exterior changes to properties located within the district require a Certificate of Appropriateness (COA) to be issued before work begins.

Who reviews and approves applications for a COA?

Applications are considered for approval by a citizen-led Historic Preservation Board. To apply for a COA, submit a Special Called Meeting Application and the required documentation to, planning@cityofsherman.com. An application fee will apply.

What types of projects do require a Historical Board review before I begin?

- » Exterior projects that involve repair or replacement of design features and materials
- » Demolition of a structure
- » Exterior restoration projects
- » Construction of an addition
- » New construction projects
- » New fencing or modifications to existing fencing
- » Exterior paint

What types of projects do not require a Historical Board review?

- » Interior projects
- » Landscaping
- » General mechanical, electrical or plumbing maintenance

ARCHITECTURAL GUIDELINES

The following photos illustrate a few guidelines that help preserve the architectural integrity of the homes within the district, while also preserving the unique character of the neighborhood.



Relationship of entrances and/or porch projection to the sidewalk



Relationship between buildings and open space



Relationship of materials, texture, and color

GUIDING THE PROCESS

The Development Services Department is here to guide you through the Historic Preservation application review process.

Early in the consideration of any project that would alter your property or home, please contact the City's Development Services Department to discuss the project with City staff to determine whether it will require a COA.

You may have a contractor, builder, or designer involved in the project. They also need to be aware of the design guidelines in the ordinance. To read the full ordinance, a QR code for the Heritage Row Historical District's web-page is provided to the right. It can also be found on the City's website in the Code of Ordinances, Article 1.10.

This document is provided as a guide for informational purposes only. Please contact the City of Sherman if you would like more information.

RESOURCES

City of Sherman Development Services Department

220 West Mulberry
Sherman, Texas 75090

📞 903-892-7229

✉ planning@cityofsherman.com

🌐 ci.sherman.tx.us/3315/Heritage-Row-Historical-District

The **Texas Historical Commission** is a state resource that can provide technical assistance and guidance to owners of historic properties, regardless of national designation status.

🌐 thc.texas.gov/preserve

The **Secretary of the Interior's Standards for the Treatment of Historic Properties** is another resource for homeowners.

🌐 nps.gov/orgs/1739/secretary-standards-treatment-historic-properties.htm

QR CODE LINKS



Heritage Row
Historical District
web page



Link to the application
for a Special Called
Meeting

**Thank you for your
continued stewardship of our
Heritage Row Historical District!**

Sherman
CLASSIC TOWN. BROAD HORIZON



City Council Regular Meeting

Agenda Item No. E.2.

Meeting Date: 3/3/2025

Prepared By: Loren Siems, Right of Way Specialist

Approved By: Zachary Flores, Assistant City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6815

Abandoning Water Line Easement Located in the City of Sherman, Grayson County, Texas, being more particularly described in the Exhibit "A" Attached Hereto and Made a Part Hereof for all Purposed, which Deed Records of Grayson County, Texas

Issue:

To consider executing an abandonment of a waterline easement recorded as Volume 862, Page 9 in Grayson County, Texas.

Background:

The blanket water easement was filed in Volume 862, Page 9, in the Grayson County deed records. This blanket easement is in the Crossroads Blvd./old Johnson & Johnson area. All water mains in the area already have their own easements or will have their own easements upon platting the subdivided properties.

Origination:

City of Sherman

Financial Consideration:

None

Staff Recommendation:

City staff has no objections to the proposed easement abandonment and upon receiving approval from franchise utilities, it is recommended that the waterline easement abandonment be executed.

Alternatives:

As may be directed by City Council

Attachments:

1. Ordinance No. 6815
2. Release and Abandonment of Easement
3. WtrAband

ORDINANCE NO. 6815

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ABANDONING WATER LINE EASEMENT LOCATED IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED IN THE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES, WHICH EASEMENTS ARE ESTABLISHED IN VOLUME 862, PAGE 9 OF THE DEED RECORDS OF GRAYSON COUNTY, TEXAS; 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 of Sherman, Texas is of the opinion that the abandoning, vacating and closing of said waterline easement, as described herein is approved;

WHEREAS, THE Easement was established in Volume 862, Page 9 of the Deed Records of Grayson County, Texas; and

WHEREAS, the City Council has investigated and determined that the easement is no longer needed; and

WHEREAS, the City Council finds that it is in the best interest of the City and its citizens to abandon the City's right and interest in the easement, and that such action will benefit the public generally.

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

SECTION 1. That the Waterline Easement described on the Exhibit "A" attached hereto and made a part hereof for all purposes, are hereby abandoned.

SECTION 2. That it is the intent of the City Council that the City's rights and interests in such easement is hereby vacated.

SECTION 3. The abandonment approved by this Resolution does not relinquish any right arising other than from the plat or other instrument creating the public easement or right-of-way, nor does this Resolution create new rights.

SECTION 4. That the City Clerk is hereby directed to file and record this Resolution after its adoption in the Official Public Records of Grayson County, Texas.

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
SHERMAN, TEXAS.**

EFFECTIVE DATE on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM AND
CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C.**

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

Exhibit "A"

Volume 862, Pg. 9
Deed Records,
Grayson County,
Texas

THE STATE OF TEXAS }
COUNTY OF GRAYSON }

7308

KNOW ALL MEN BY THESE PRESENTS: That I ~~of~~ XXXX

Joe M. Joiner

In consideration of one dollar to us in hand paid by the City of Sherman and other valuable considerations to us moving have this day granted and do by these presents grant to the said City of Sherman the right and privilege of laying, constructing, repairing and maintaining a ~~sanitary sewer~~ water line over across and along the tract of land described to-wit: ~~Located in the City of Sherman, Grayson County, Texas: Being a strip of land 20 feet wide~~ across a acre tract in the Preston Kitchen Survey, Grayson County, Texas, belonging to Joe M. Joiner. Also, across a strip 60 feet wide in the same survey, owned by Joe M. Joiner.

Witness our signature this the 12 day of June
1957.

Joe M. Joiner

10

THE STATE OF TEXAS }
COUNTY OF Dallas }

Before me the undersigned authority, this day personally appeared Joe M. Joiner
personally known to me to be
the person whose name subscribed to the foregoing instrument
and acknowledged to me that he executed the same for the purposes and
considerations therein expressed:

Given under my hand and seal of office this the 12 day
June A. D. 1957.

Vivian Thilam
Notary Public, Dallas County, Texas

FILED FOR RECORD THE 10 DAY OF Oct 1957 AT 2 M.

RECORDED THE 11 DAY OF Oct 1957.
J. C. BUCHANAN, COUNTY CLERK.

BY R. Henderson DEPT

RELEASE AND ABANDONMENT OF EASEMENT

DATE: **February 17, 2025**

PROPERTY: BEING ALL CERTAIN LOT, TRACT, OR PARCEL OF LAND SITUATED IN THE PRESTON KITCHEN SURVEY, ABSTRACT NO. 667 AND THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625, GRAYSON COUNTY, TEXAS, SAID TRACT BEING ALL TOF THAT CERTAIN TRACT OF LAND DESCRIBED IN SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO SHAFFER PLAZA XLII, LTD, RECORDED IN VOLUME 3842, PAGE 40 OF THE REAL PROPERTY RECORDS OF GRAYOSN COUNTY, TEXAS SAID 130.4789 ACRES

WHEREAS, the described property is a portion of the above property obtained by Sherman Crossroads, LTD. Instrument No. 2011-23853, Grayson County, Texas.

WHEREAS, a Waterline Easement within said property was set out in Volume 862, Page 9 of the Deed Records of Grayson County, Texas, and said portion of easement being more particularly described in the Exhibit "A" attached hereto and made a part hereof for all purposes..

WHEREAS, said portion Waterline Easement was to be abandoned

WHEREAS, the City of Sherman, Texas, does hereby abandon, relinquish and vacate its interest in and to the easement described above.

THE CITY OF SHERMAN, TEXAS

By: _____

Title: City Manager

STATE OF TEXAS }
COUNTY OF GRAYSON }

This instrument was acknowledged before me on the _____ day of March, 2025,

by **ZACHARY FLORES**, as City Manager of THE CITY OF SHERMAN, TEXAS.

Notary Public – State of Texas

Exhibit "A"

Volume 862, Pg. 9
Deed Records,
Grayson County,
Texas

THE STATE OF TEXAS)
COUNTY OF GRAYSON)

7308

KNOW ALL MEN BY THESE PRESENTS: That I ~~of XXXX~~

Joe M. Joiner

In consideration of one dollar to us in hand paid by the City of Sherman and other valuable considerations to us moving have this day granted and do by these presents grant to the said City of Sherman the right and privilege of laying, constructing, repairing and maintaining a ~~water~~ water line over across and along the tract of land described to-wit: ~~located in the block of XXXXX~~, Grayson County, Texas: Being a strip of land 20 feet wide across a acre tract in the Preston Kitchen Survey, Grayson County, Texas, belonging to Joe M. Joiner. Also, across a strip 60 feet wide in the same survey, owned by Joe M. Joiner.

Witness our signature this the 12 day of June

1957.

Joe M. Joiner

10

THE STATE OF TEXAS)
COUNTY OF Dallas)

Before me the undersigned authority, this day personally appeared

Joe M. Gainer

personally known to me to be

the person whose name subscribed to the foregoing instrument

and acknowledged to me that he executed the same for the purposes and considerations therein expressed:

~~My commission expires on the 12th day of October, 1958.~~

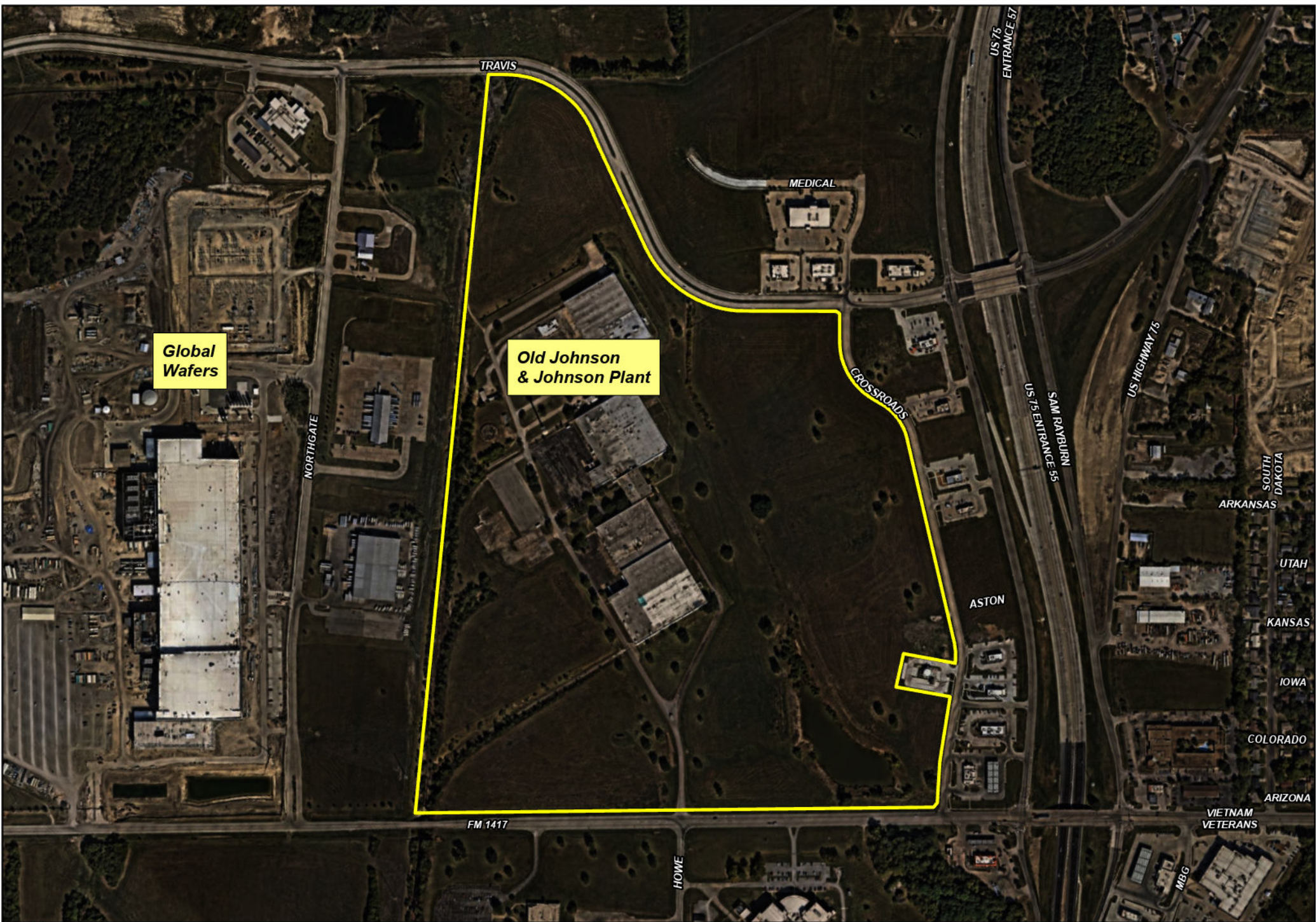
Given under my hand and seal of office this the 12 day
June A. D. 1957.

Vivian Thilam
Notary Public, Dallas County, Texas

FILED FOR RECORD THE 10 DAY OF Oct 1957 AT 2 M.

RECORDED THE 11 DAY OF Oct 1957.
J. C. BUCHANAN, COUNTY CLERK.

BY A. Henderson DEPUTY



WATER LINE ABANDONMENT

1" = 600'



City Council Regular Meeting

Agenda Item No. F.1.

Meeting Date: 3/3/2025

Prepared By:

Approved By:

Caption:

Close Public Hearing

Consider Adoption of Ordinance No. 6814 & 6815

Issue:

E. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6814

1. Amending The Code Of Ordinances Of The City Of Sherman, Texas, Appendix C (Comprehensive Fee Schedule); Modifying Certain Existing Fees Related To The Heritage Row Historical District Permit Applications; Providing A Penalty Clause With A Maximum Fine Of \$2,000, Savings/Repealing Clause, Severability Clause And An Effective Date; Providing For The Publication Of The Caption Hereof

E. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6815

2. Abandoning Water Line Easement Located in the City of Sherman, Grayson County, Texas, being more Particularly Described in the Exhibit "A" Attached Hereto and Made a Part Hereof for all Purposed, which Deed Records of Grayson County, Texas

Background:

Origination:

Financial Consideration:

Staff Recommendation:

Alternatives:

Attachments:

None



City Council Regular Meeting

Agenda Item No. G.1.

Meeting Date: 3/3/2025

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

RESOLUTION NO. 7483

Authorizing Execution of a Commercial Contract - Unimproved Property with Mt. Carmel Church of God for the Purchase of Approximately 0.87 Acres of Land Generally Located at the Corner of Vernon Holland Memorial Drive and N. Broughton Street in the City of Sherman, Texas

Issue:

Authorizing Execution of a Commercial Contract - Unimproved Property with Mt. Carmel Church of God for the Purchase of Approximately 0.87 Acres of Land Generally Located at the Corner of Vernon Holland Memorial Drive and N. Broughton Street in the City of Sherman, Texas

Background:

The City approached Mt. Carmel Church several months ago about selling their property adjacent to the Martin Luther King Junior Park. The proposed land acquisition at MLK Park represents an important step in our ongoing efforts to enhance the quality and inclusivity of Sherman's park system. By taking on this land, we not only uphold the strategic goals of our Parks, Recreation, and Open Space Master Plan but also reaffirm our commitment to providing exceptional recreational spaces for everyone in our community.

Most recent improvements at MLK Park include improving the landscape and painting the Glennie O'Ham Community Center this year. In recent years, an upgraded playground feature and pavilion were installed.

MLK Park stands as an important neighborhood park located near both Texoma Parkway and Downtown Sherman; it is strategically positioned for land improvement, including future trail connectivity. Given its consistent utilization rate, the acquisition of the property puts our city in a favorable position to significantly

Origination:

City Manager's Office

Financial Consideration:

Purchase Price for this property is \$250,000.

Staff Recommendation:

Staff recommends approval of this resolution

Alternatives:

Council could deny this resolution.

Attachments:

1. Resolution No. 7483
2. Legal Description
3. Mineral addendum
4. Commercial Contract
5. Lot Purchase MLK Park

RESOLUTION NO. 7483

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A COMMERCIAL CONTRACT – UNIMPROVED PROPERTY WITH MT. CARMEL CHURCH OF GOD FOR THE PURCHASE OF APPROXIMATELY 0.87 ACRES OF LAND, GENERALLY LOCATED AT THE CORNER OF VERNON HOLLAND MEMORIAL DRIVE AND N. BROUGHTON STREET IN THE CITY OF SHERMAN, TEXAS; 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, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a commercial contract – unimproved property with Mt. Carmel Church of God for the Purchase of Approximately 0.87 acres of Land Generally Located at the corner of Vernon Holland Memorial Drive and N. Broughton Street in the City of Sherman, Texas, for a total amount of Two Hundred Fifty Thousand dollars (\$250,000) in accordance with the terms and provisions of the contract documents attached hereto and incorporated herein 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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
SHAWN TEAMANN, MAYOR

APPROVED AS TO FORM:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

LEGAL DESCRIPTION

Situated in the County of Grayson, State of Texas, being a part of the J. B. McAnair Survey, Abstract No. 763 and being a part of that tract of land conveyed to Mount Carmel Church of God in Christ, Inc., as recorded in Volume 2189, Page 17, Real Property Records, Grayson County, Texas, and being all of Tract 1 and Tract 2 conveyed to Mt. Carmel Church of God in Christ, Inc., as recorded in Document Number 2021-31432, Official Public Records, Grayson County, Texas, and being a part of Lot 1, Lot 2, Lot 3 and Lot 4, Block One, of Veal & Alford's Addition, an addition to the City of Sherman, Texas, as shown by plat of record in Volume 43, Page 200, Deed Records, Grayson County, Texas, and being described by metes and bounds as follows:

Beginning at a 1/2" steel rod found for the southeast corner of said Vol. 2189, Pg. 17 Tract;

Thence South 74°09'01" West, with the southerly line of said Vol. 2189, Pg. 17 Tract, and with the southerly line of said Tract 1 and Tract 2, and over and across said Lot 4, and with the northerly Right-of-Way line of Richards Street, passing en route at a distance of 197.76 feet a found 1/2" steel rod, and continuing on said course passing en route at a distance of 307.99 feet a found 5/8" steel rod, and continuing on said course a total distance of 311.81 feet to a 1/2" steel rod set for the southwest corner of the herein described tract of land, said point being in the westerly line of said Block One;

Thence North 15°53'13" West, with the westerly line of said Lot 3 and Lot 4, and with the easterly Right-of-Way line of Music Street, a distance of 80.60 feet to a 1/2" steel rod set for the northwest corner of said Lot 3, common to the southwest corner of said Lot 2, said point also being the western-most northwest corner of the herein described tract of land;

Thence North 74°34'49" East, with the northerly line of said Lot 3 and Tract 2, and with the southerly line of said Lot 2, a distance of 163.39 feet to a set 1/2" steel rod;

Thence North 15°03'14" West, over and across said Lot 1 and Lot 2, a distance of 87.89 feet to a 1/2" steel rod set for the northern-most northwest corner of the herein described tract of land, said point being in the northerly line of said Block One;

Thence North 74°34'49" East, with the northerly line of Lot 1, and with the northerly line of said Vol. 2189, Pg. 17 Tract, and with the southerly Right-of-Way line of Vernon Holland Memorial Drive, a distance of 149.04 feet to a 1" pipe found for the northeast corner of said Vol. 2189, Pg. 17 Tract;

Thence South 15°14'07" East, with the easterly line of said Vol. 2189, Pg. 17 Tract, and with the westerly Right-of-Way line of Broughton Street, a distance of 166.15 feet to the Point of Beginning and containing 0.870 acres of land, more or less.



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

11-07-2022

ADDENDUM FOR RESERVATION OF OIL, GAS, AND OTHER MINERALS



ADDENDUM TO CONTRACT CONCERNING THE PROPERTY AT

Parcel ID 160019, 160257, 160261, 160262

Sherman

(Street Address and City)

NOTICE: For use ONLY if Seller reserves all or a portion of the Mineral Estate.

- A. "Mineral Estate" means all oil, gas, and other minerals in and under and that may be produced from the Property, any royalty under any existing or future mineral lease covering any part of the Property, executive rights (including the right to sign a mineral lease covering any part of the Property), implied rights of ingress and egress, exploration and development rights, production and drilling rights, mineral lease payments, and all related rights and benefits. The Mineral Estate does NOT include water, sand, gravel, limestone, building stone, caliche, surface shale, near-surface lignite, and iron, but DOES include the reasonable use of these surface materials for mining, drilling, exploring, operating, developing, or removing the oil, gas, and other minerals from the Property.
- B. Subject to Section C below, the Mineral Estate owned by Seller, if any, will be conveyed unless reserved as follows (check one box only):
- ☒ (1) Seller reserves all of the Mineral Estate owned by Seller.
- ☐ (2) Seller reserves an undivided _____ interest in the Mineral Estate owned by Seller. *NOTE: If Seller does not own all of the Mineral Estate, Seller reserves only this percentage or fraction of Seller's interest.*
- C. Seller ☒ does ☐ does not waive rights of ingress and egress and of reasonable use of the Property (including surface materials) that are part of the Mineral Estate for mining, drilling, exploring, operating, developing, or removing the oil, gas, and other minerals. *NOTE: Surface rights that may be held by other owners of the Mineral Estate who are not parties to this transaction (including existing mineral lessees) will NOT be affected by Seller's election. Seller's failure to complete Section C will be deemed an election to convey all surface rights described herein.*
- D. If Seller does not reserve all of Seller's interest in the Mineral Estate, Seller shall, within 7 days after the Effective Date, provide Buyer with the current contact information of any existing mineral lessee known to Seller.

IMPORTANT NOTICE: The Mineral Estate affects important rights, the full extent of which may be unknown to Seller. A full examination of the title to the Property completed by an attorney with expertise in this area is the only proper means for determining title to the Mineral Estate with certainty. In addition, attempts to convey or reserve certain interest out of the Mineral Estate separately from other rights and benefits owned by Seller may have unintended consequences. Precise contract language is essential to preventing disagreements between present and future owners of the Mineral Estate.

If Seller or Buyer has any questions about their respective rights and interests in the Mineral Estate and how such rights and interests may be affected by this contract, they are strongly encouraged to consult an attorney with expertise in this area.

CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate brokers and sales agents from giving legal advice. READ THIS FORM CAREFULLY.

Buyer City of Sherman

Dec 4, 2024 | 12:32 PM
 Signed by: JAMES E. HORNBY
 Seller: Mount Carmel Church of God in Christ

Buyer _____

Dec 4, 2024 | 10:42 AM
 Signed by: Charles Faulstich
 Seller: Mount Carmel Church of God in Christ



The form of this addendum has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>) TREC No. 44-3. This form replaces TREC No. 44-2.

TXR-1905

TREC No. 44-3



COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Mount Carmel Church of God in Christ

Address: _____

Phone: (214)762-1649

E-mail: charles.faultry@texasnefirst.org

Mobile: _____

Fax or Other: _____

Buyer: City of Sherman

Address: _____

Phone: (903)892-7252

E-mail: TerrenceS@cityofsherman.com

Mobile: _____

Fax or Other: _____

2. PROPERTY:

- A. "Property" means that real property situated in Grayson County, Texas at Parcel ID 160019, 160257, 160261, 160262 (address) and that is legally described on the attached Exhibit A or as follows:

- B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

3. SALES PRICE:

- A. At or before closing, Buyer will pay the following sales price for the Property:

- (1) Cash portion payable by Buyer at closing \$ 250,000.00
- (2) Sum of all financing described in Paragraph 4 \$ _____
- (3) Sales price (sum of 3A(1) and 3A(2)) \$ 250,000.00

Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262**B. Adjustment to Sales Price:** (Check (1) or (2) only.)

- ☒ (1) The sales price will not be adjusted based on a survey.
☐ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of \$ _____ per:

- ☐ (i) square foot of ☐ total area ☐ net area.
☐ (ii) acre of ☐ total area ☐ net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:

- ☐ (i) public roadways;
☐ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
☐ (iii) _____

(c) If the sales price is adjusted by more than _____ % of the stated sales price, either party may terminate this contract by providing written notice to the other party within _____ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- ☐ A. **Third Party Financing:** One or more third party loans in the total amount of \$ _____.
This contract:
☐ (1) is not contingent upon Buyer obtaining third party financing.
☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TXR-1931).
- ☐ B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TXR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- ☐ C. **Seller Financing:** Buyer will deliver a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TXR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

A. Not later than 3 days after the effective date, Buyer must deposit \$ \$1,000.00 as earnest money with Alamo Title (title company) at 424 E Southlake Blvd. Southlake, Tx (address) Amy Mayes (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.

B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:

- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
☐ (ii) _____

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

(TXR-1802) 07-08-22

Initialed for Identification by Seller DS JEH and Buyer CF

Page 2 of 15

Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262

- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☒ (a) will not be amended or deleted from the title policy.
- ☐ (b) will be amended to read "shortages in areas" at the expense of ☐ Buyer ☐ Seller.
- (3) Within 21 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

^{DS} GEN ^{DS} CF

B. Survey: Within 14 days after the effective date:

^{DS} GEN ^{DS} CF

- ☒ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer ~~\$500~~ ^{DS} GEN ^{DS} CF (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, ☐ Seller ☐ Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 30 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 30 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party _____ (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 10 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will

Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262

satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object in writing to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) of the deadline specified in Paragraph 6B.

- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

_____.

B. Feasibility Period: Buyer may terminate this contract for any reason within 30 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ \$250 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

☐ (b) Not later than 3 days after the effective date, Buyer must pay \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to the title company. Buyer authorizes escrow agent to release and deliver the independent consideration to Seller at any time upon Seller's request without further notice to or consent from Buyer. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

☒ (2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single additional period of 30 days by delivering \$ 100 to the title company as additional earnest money.

(a) \$ 50 of the additional earnest money will be retained by Seller as additional independent consideration for Buyer's unrestricted right to terminate, but will be credited to the

(TXR-1802) 07-08-22

Initialed for Identification by Seller DS JEH and Buyer LF

Page 4 of 15

Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262

sales price only upon closing of the sale. If Buyer terminates under this Paragraph 7B, the additional earnest money will be refunded to Buyer and Seller will retain the additional independent consideration.

- (b) Buyer authorizes escrow agent to release and deliver to Seller the following at any time upon Seller's request without further notice to or consent from Buyer:
- (i) The additional independent consideration.
 - (ii) *(Check no boxes or only one box.)*
☐ all or ☐ \$ _____ of the remaining portion of the additional earnest money, which will be refunded to Buyer if Buyer terminates under this Paragraph 7B or if Seller defaults under this contract.

If no dollar amount is stated in this Paragraph 7B(2) as additional earnest money or as additional independent consideration, or if Buyer fails to timely deliver the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.
- (2) Buyer must:
 - (a) employ only trained and qualified inspectors and assessors;
 - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
 - (c) abide by any reasonable entry rules or requirements of Seller;
 - (d) not interfere with existing operations or occupants of the Property; and
 - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.
- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 21 days after the effective date, Seller will deliver to Buyer the following to the extent in Seller's possession or control: *(Check all that apply.)*
- ☒ (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
 - ☒ (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
 - ☒ (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
 - ☒ (d) copies property tax statements for the Property for the previous 2 calendar years;
 - ☒ (e) plats of the Property;
 - ☒ (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
 - ☐ (g) _____

Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- ☐ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- ☐ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- ☐ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any advance sums paid by a tenant under any lease;
- (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TXR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

(TXR-1802) 07-08-22

Initialed for Identification by Seller DS JEN and Buyer _____, _____

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Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: NextHome Integrity Group

Cooperating Broker: _____

Agent: Paula J Thompson

Agent: _____

Address: 9500 Ray White Rd Suite 200

Address: _____

Fort Worth, Texas 76262-6326

Phone & Fax: (214)668-2113

Phone & Fax: _____

E-mail: paula@NextHomeIG.com

E-mail: _____

License No.: 0673290

License No.: _____

Principal Broker: (Check only one box)

Cooperating Broker represents Buyer.

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- ☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.
- ☒ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:

Cooperating Broker a total cash fee of:

☒ 3 % of the sales price.
☐ _____

☒ Zero % of the sales price.
☐ _____

The cash fees will be paid in Tarrant County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) ☒ 30 days after the expiration of the feasibility period.

☒ ~~January 31, 2025~~ (specific date).

(2) 7 days after objections made under Paragraph 6C have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

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NextHome Integrity Group, 9500 Ray White Dr. Fort Worth TX 76244
 Paula J Thompson

Phone: 2146682113 Fax: _____
 Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

Mount Carmel

Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262

- C. At closing, Seller will execute and deliver, at Seller's expense, a ☐ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) an assignment of all leases to or on the Property;
 - (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
 - (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
 - (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the title company;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in a lease for any part of the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

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Initialed for Identification by Seller DS JEH and Buyer LF

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Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262**13. SALES EXPENSES:**

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
 - (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
 - (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.
- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure

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Initialed for Identification by Seller DS initial and Buyer _____

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Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262

except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; or
(Check if applicable)

☐ enforce specific performance, or seek such other relief as may be provided by law.

B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or

B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:

- (1) Seller and the sales price will be reduced by the same amount; or
- (2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.

B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.

D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.

E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.

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Commercial Contract - Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262

- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TXR-1408).
- ☒ B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

*(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)***20. NOTICES:** All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, sent by a national or regional overnight delivery service that provides a delivery receipt, or sent by confirmed facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☐ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.**22. AGREEMENT OF THE PARTIES:**

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this

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contract shall not be affected thereby. All individuals signing represent that they have the authority to sign on behalf of and bind the party for whom they are signing.

- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
- ☒ (1) Property Description Exhibit identified in Paragraph 2;
 - ☐ (2) Commercial Contract Financing Addendum (TXR-1931);
 - ☐ (3) Commercial Property Condition Statement (TXR-1408);
 - ☐ (4) Commercial Contract Addendum for Special Provisions (TXR-1940);
 - ☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
 - ☐ (6) Addendum for Coastal Area Property (TXR-1915);
 - ☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916);
 - ☐ (8) Information About Brokerage Services (TXR-2501);
 - ☒ (9) Information About Mineral Clauses in Contract Forms (TXR-2509);
 - ☐ (10) Notice of Obligation to Pay Improvement District Assessment (TXR-1955, PID); and
 - ☐ (11) _____

(Note: Counsel for Texas REALTORS® has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by Texas REALTORS® are appropriate for use with this form.)

- E. Buyer ☐ may ☒ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or federal reserve bank holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or federal reserve bank holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before

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the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TXR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- I. PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, Seller is required by §5.014, Property Code to give Buyer a written notice concerning the obligation to pay assessments. The form of the required notice is available as a part of the Notice of Obligation to Pay Improvement District Assessment (TXR-1955).
- J. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on _____, the offer will lapse and become null and void.

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READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: Mount Carmel Church of God in Christ **Buyer:** City of Sherman

By: DocuSigned by:
By (signature): JAMES E HORNSBY Dec 4, 2024 | 12:32 PM CST
Printed Name: JAMES E HORNSBY
Title: Texas Northeast First Jurisdiction Prelate

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: Signed by:
By (signature): Charles Paultry Dec 4, 2024 | 10:42 AM CST
Printed Name: Charles Paultry Interim Pastor
Title: Mount Carmel COGIC Pastor

By: _____
By (signature): _____
Printed Name: _____
Title: _____

Commercial Contract -Unimproved Property concerning Parcel ID 160019, 160257, 160261, 160262**AGREEMENT BETWEEN BROKERS***(use only if Paragraph 9B(1) is effective)*

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- ☐ \$ _____, or
- ☐ _____ % of the sales price, or
- ☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____

Cooperating Broker: _____

By: _____

By: _____

ATTORNEYS

Seller's attorney: _____

Buyer's attorney: _____

Address: _____

Address: _____

Phone & Fax: _____

Phone & Fax: _____

E-mail: _____

E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
- ☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Buyer.
- ☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☐ A. the contract on this day _____ (effective date);
- ☐ B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____

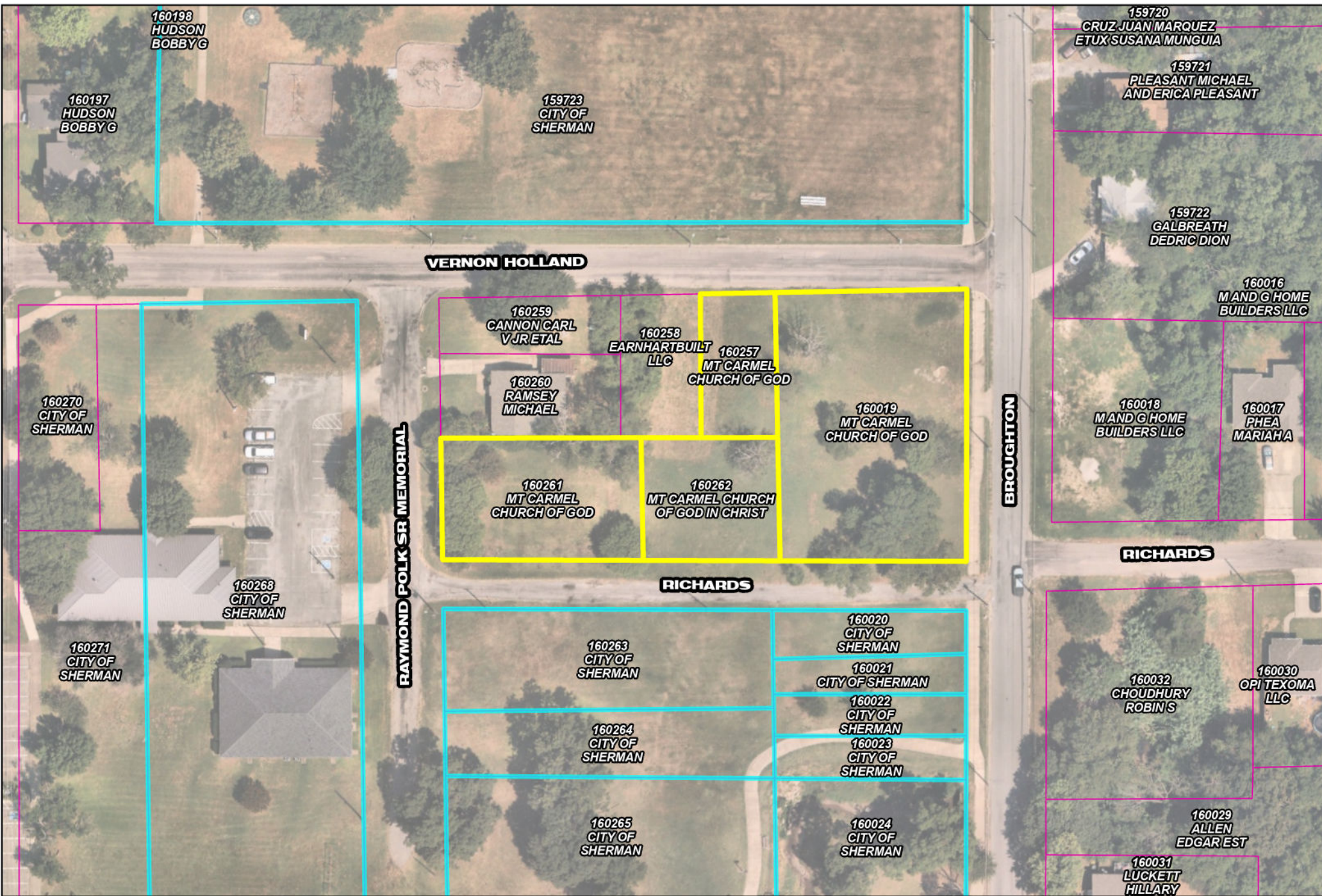
Address: _____

By: _____

Phone & Fax: _____

Assigned file number (GF#): _____

E-mail: _____





City Council Regular Meeting

Agenda Item No. G.2.

Meeting Date: 3/3/2025

Prepared By: Wayne Lee, Director of Engineering

Approved By: Zachary Flores, Assistant City Manager

Caption:

RESOLUTION NO. 7484

Awarding a Bid to and Authorizing Execution of a Contract with A T Construction LLC Based on an Invitation to Bid for the Center Street Bridge Rehab Project

Issue:

To consider awarding a bid to and authorizing execution of a contract with A T Construction LLC of Arlington, Texas, based on an invitation to bid for the Center Street Bridge Rehab Project

Background:

Annual bridge inspections conducted by TxDOT have listed the need to correct erosion issues around the Center Street bridge over Post Oak Creek. If not addressed, the erosion could eventually cause the bridge to fail.

Kimley-Horn Associates have designed stream bank stabilization construction plans to address these erosion issues. This project will also replace and lower a water line at the creek crossing that is exposed, and will make repairs to the bridge deck and rails.

A public bid opening was held on January 21, 2025. Three (3) bidders responded to the request for bids. The lowest, responsible, responsive bid in the amount of \$1,348,360.00 was submitted by A T Construction LLC of Arlington, Texas. A bid tabulation is attached.

Origination:

Engineering Department

Financial Consideration:

Funding needed for the project is \$1,348,360.00. Funding will be from the the General Improvement Fund using Certificate of Obligation proceeds.

Staff Recommendation:

It is recommended that the bid be awarded for the Center Street Bridge Rehab Project to A T Construction LLC in the amount of \$1,348,360.00. It is also recommended that the City Manager be authorized to execute the required contract documents.

Alternatives:

As may be directed by City Council

Attachments:

1. Resolution No. 7484
2. AGREEMENT - unsigned
3. Bid Tabulation
4. Location Map

RESOLUTION NO. 7484

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH A T CONSTRUCTION LLC BASED ON AN INVITATION TO BID FOR THE CENTER STREET BRIDGE REHAB 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 A T Construction LLC of Arlington, Texas, is hereby awarded the bid and the City of Sherman hereby approves the contract with A T Construction LLC, in the amount of One Million Three Hundred Forty-Eight Thousand Three Hundred Sixty Dollars and Zero Cents (\$1,348,360.00) for the Center Street Bridge Rehab Project; 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 A T Construction LLC, for the construction of the aforementioned improvements, 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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
SHAWN TEAMANN, MAYOR

APPROVED AS TO FORM:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

AGREEMENT

THIS AGREEMENT is by and between the CITY OF SHERMAN, TEXAS, a home-rule municipality (the "CITY"), and A T CONSTRUCTION, LLC, a limited liability company (the "CONTRACTOR"). CITY and CONTRACTOR are sometimes referred to collectively as the "parties" or individually as a "party."

CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Article 1. WORK

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents and shall furnish all personnel, labor, equipment, supplies and all other items necessary to provide the services and deliverables as specified by the terms and conditions of the Contract Documents. The Work project is generally described as follows:

Center Street Bridge Rehab

Article 2. ENGINEER

The Project has been designed by Kimley-Horn and Associates, who is hereinafter called ENGINEER and who is to act as CITY'S representative, assume all duties and responsibilities and have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

Article 3. CONTRACT TIME

3.1 The Work will be substantially completed and ready for final payment within 180 calendar days from the date when the Contract Time commences to run, as provided in the General Conditions.

3.2 Liquidated Damages. CITY and CONTRACTOR recognize that time is of the essence of this Agreement and that CITY will suffer financial loss and actual damages if the Work is not completed within the time specified above, plus any extensions thereof allowed in accordance with the General Conditions. The parties also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss and damages suffered by CITY if the Work is not completed on time. The exact amount of such loss and damages will be difficult to ascertain. Accordingly, instead of requiring any such proof, CITY and CONTRACTOR agree that CONTRACTOR shall pay CITY \$500.00 for each calendar day in which the Work is not completed, not as a penalty but as liquidated damages for the loss and damages that would be suffered by CITY as a result of delay for each and every calendar day that the CONTRACTOR shall have failed to have completed the Work as required herein.

Article 4. CONTRACT PRICE

CITY shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents in current funds as follows:

At the unit prices shown on the Unit Price Bid Schedule included in the Contract Documents.

Article 5. **PAYMENT PROCEDURES**

CONTRACTOR shall submit Applications for Payment in accordance with the General Conditions. Applications for Payment will be processed by ENGINEER, as provided in the Special Provisions.

CONTRACTOR and CITY acknowledge and agree that the continuation of this Agreement after the close of any given fiscal year of CITY, which fiscal year ends on September 30th of each year, shall be subject to Sherman City Council approval. In the event that the Sherman City Council does not approve the appropriation of funds for this Agreement, the Agreement shall terminate at the end of the fiscal year for which funds were appropriated, and the parties shall have no further obligations hereunder, except that CITY shall be obligated to pay monies owed CONTRACTOR for Services it has provided pursuant to this Agreement through the end of that fiscal year provided that CONTRACTOR is not in breach of this Agreement.

The CITY shall retain 5% of the amount of each payment until final completion and acceptance of all Work covered by the Contract Documents. When the Work is substantially complete, the retained amount may be reduced to 2%, at the CITY'S discretion.

Article 6. **INTEREST**

If the contract amount of this contract is less than \$5,000,000, no interest will be paid to the CONTRACTOR on retained money. When the contract amount exceeds \$5,000,000, no interest will be paid unless required by law.

Article 7. **CONTRACTOR'S REPRESENTATIONS**

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

- 7.1 CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents, Work, site, locality, and all local conditions and Laws and Regulations that, in any manner, may affect cost, progress, performance or furnishing of the Work.
- 7.2 CONTRACTOR has carefully studied all reports of explorations and tests of subsurface conditions and drawings of physical conditions, if any, which are contained or identified in the Contract Documents, and accepts the determination set forth in the Contract Documents of the extent of the technical data contained in such reports and drawings upon which CONTRACTOR is entitled to rely.
- 7.3 CONTRACTOR has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, reports and studies in addition to, or to supplement, those referred to above, which pertain to the subsurface or physical conditions at or contiguous to the site, or otherwise may affect the cost, progress, performance or furnishing of the Work as CONTRACTOR considers necessary for the performance or furnishing of the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, and no additional examinations, investigations, explorations, tests, reports, studies or similar information or data are, or will be, required by CONTRACTOR for such purposes.

- 7.4 CONTRACTOR has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumes responsibility for the accurate location of all Underground Facilities, whether indicated in the Contract Documents, or not. No additional examinations, investigations, explorations, tests, reports, studies or similar information or data in respect of said Underground Facilities are, or will be, required by CONTRACTOR in order to perform and furnish the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents.
- 7.5 CONTRACTOR has correlated the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents.
- 7.6 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.
- 7.7 CONTRACTOR has reviewed and fully agrees to the limitation of liability provisions included in the Special Provisions.
- 7.8 CONTRACTOR certifies that they are eligible to be awarded government contracts.
- 7.9 CONTRACTOR also certifies that any agreement entered into with a subcontractor will contain a clause stating that the subcontractor is eligible to be awarded government contracts.

Article 8. **CONTRACT DOCUMENTS**

The "Contract Documents," which comprise the entire agreement between CITY and CONTRACTOR concerning the Work, consist of the following:

- 8.1 This Agreement
- 8.2 Advertisement for Bids
- 8.3 Instructions to Offerors
- 8.4 Certifications Required by Texas Law
- 8.5 Suspension and Debarment Certification
- 8.6 Bid Bond and Bid Bond POA
- 8.7 Statement of Offeror's Qualifications
- 8.8 Insurance Requirement Affidavit
- 8.9 Bid Submittal
- 8.10 Resolution of Award
- 8.11 Form 1295, Certificate of Interested Parties
- 8.12 Certificate of Insurance
- 8.13 Performance Bond and POA
- 8.14 Payment Bond and POA
- 8.15 Notice to Proceed
- 8.16 Maintenance Bond and POA
- 8.17 Closeout Documents

- 8.18 Davis-Bacon Wage Determinations
- 8.19 Special Provisions
- 8.20 Technical Specification prepared or issued by City of Sherman dated July 2024
- 8.21 Drawings, consisting of sheets numbered C0.01 through S3.02, inclusive with each sheet bearing the following general title: Construction Plans for Center Street Bridge Rehab.
- 8.22 Addenda numbers 1 to 2, inclusive.
- 8.23 Documentation submitted by CONTRACTOR prior to Notice of Award, identified as _____
- 8.24 The following, which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto:

All written Amendments, change orders, and other documents amending, modifying, or supplementing the Contract Documents pursuant to the Special Provisions. The parties understand and agree that deviations or modifications to the scope of Work described in the Contract Documents, in the form of one or more written Contingency Change Allowance or also change orders, may be authorized from time to time by CITY ("Change Orders"). "Extra" work, "claims" invoiced as "extra" work or "claims" which have not been issued as a duly executed, written Change Orders by the Sherman City Manager or his designee will not be authorized for payment and/or shall not become part of this Agreement. A duly executed, written Change Order shall be preceded by the City Council's authorization for the City Manager to execute said Change Order. CONTRACTOR agrees that CITY'S project managers are authorized to issue Contingency Allowance Authorization but CITY'S project managers, superintendents and/or inspectors not authorized to issue verbal or written Change Orders.

There are no contract Documents other than those listed above in this Agreement. The Contract Documents may only be amended, modified or supplemented, as outlined in this Contract.

Article 9. INDEMNITY

CONTRACTOR HEREBY RELEASES AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY AND ITS CITY COUNCIL MEMBERS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES (COLLECTIVELY REFERRED TO AS "CITY" FOR PURPOSES OF THIS SECTION) FROM AND AGAINST ALL DAMAGES, INJURIES (WHETHER IN CONTRACT OR IN TORT, INCLUDING PERSONAL INJURY AND DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, ACTIONS, JUDGMENTS, LIENS, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES (INCLUDING ATTORNEY'S FEES AND EXPENSES INCURRED IN ENFORCING THIS SECTION), THAT IN WHOLE OR IN PART ARISE OUT OF OR ARE CONNECTED WITH GOODS AND/OR SERVICES PROVIDED BY CONTRACTOR, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM CONTRACTOR IS LEGALLY RESPONSIBLE (COLLECTIVELY REFERRED TO AS "CONTRACTOR" FOR PURPOSES OF THIS SECTION) PURSUANT TO THIS AGREEMENT AND/OR THE NEGLIGENT, GROSSLY NEGLIGENT AND/OR INTENTIONAL WRONGFUL ACT AND/OR OMISSION OF CONTRACTOR IN ITS/THEIR PERFORMANCE OF THIS AGREEMENT, REGARDLESS OF THE JOINT OR CONCURRENT NEGLIGENCE OF CITY (COLLECTIVELY, "CLAIMS"). THIS INDEMNIFICATION PROVISION AND THE USE OF THE TERM "CLAIMS" IS ALSO SPECIFICALLY INTENDED TO APPLY TO, BUT IS NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER CIVIL OR CRIMINAL, BROUGHT AGAINST CITY BY ANY GOVERNMENT AUTHORITY OR AGENCY RELATED TO ANY PERSON PROVIDING SERVICES UNDER THIS AGREEMENT THAT ARE BASED ON ANY FEDERAL IMMIGRATION LAW AND ANY AND ALL CLAIMS, DEMANDS, DAMAGES,

ACTIONS AND CAUSES OF ACTION OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, EXISTING OR CLAIMED TO EXIST, RELATING TO OR ARISING OUT OF ANY EMPLOYMENT RELATIONSHIP BETWEEN CONTRACTOR AND ITS EMPLOYEES OR SUBCONTRACTORS AS A RESULT OF THAT SUBCONTRACTOR'S OR EMPLOYEE'S EMPLOYMENT AND/OR SEPARATION FROM EMPLOYMENT WITH CONTRACTOR, INCLUDING BUT NOT LIMITED TO ANY DISCRIMINATION CLAIM BASED ON SEX, SEXUAL ORIENTATION OR PREFERENCE, RACE, RELIGION, COLOR, NATIONAL ORIGIN, AGE OR DISABILITY UNDER FEDERAL, STATE OR LOCAL LAW, RULE OR REGULATION, AND/OR ANY CLAIM FOR WRONGFUL TERMINATION, BACK PAY, FUTURE WAGE LOSS, OVERTIME PAY, EMPLOYEE BENEFITS, INJURY SUBJECT TO RELIEF UNDER THE WORKERS' COMPENSATION ACT OR WOULD BE SUBJECT TO RELIEF UNDER ANY POLICY FOR WORKERS COMPENSATION INSURANCE, AND ANY OTHER CLAIM, WHETHER IN TORT, CONTRACT OR OTHERWISE.

IN ITS SOLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY CONTRACTOR IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY CITY, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. 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 CITY OR AS A WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY CITY PURSUANT TO THIS AGREEMENT. CONTRACTOR SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF CITY'S WRITTEN NOTICE THAT CITY IS INVOKING ITS RIGHT TO DEFENSE OR INDEMNIFICATION UNDER THIS AGREEMENT. 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.

THE RIGHTS AND OBLIGATIONS CREATED BY THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

Article 10. **LIABILITY**

To the fullest extent permitted by law, CONTRACTOR shall be fully and solely responsible and liable for its own acts and omissions, including those of its officers, agents, representatives, employees, subcontractors, licensees, invitees and all other parties performing services for or on behalf of CONTRACTOR under this Agreement, and for any and all damage to CONTRACTOR's equipment and other property. CITY assumes no such responsibility or liability. CITY shall have no such responsibility or liability to either CONTRACTOR or its officers, agents, representatives, employees, subcontractors, licensees, invitees or other persons.

Article 11. **TERMINATION**

CITY is entitled to terminate this Agreement at any time for any reason or for no reason by giving CONTRACTOR at least thirty (30) days' prior written notice of the termination date.

CITY is entitled to terminate this Agreement immediately on breach of any term or provision of the Contract Documents by CONTRACTOR. If at any time during the term of this Agreement, CONTRACTOR shall fail to commence the work in accordance with the provisions of the Contract Documents or fail to diligently perform the work in an efficient, timely and careful manner and in strict accordance with the provisions of the Contract Documents, then CITY shall have the right to terminate this Agreement. Any such act by CITY shall not be deemed a waiver of any other right or remedy of CITY.

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

Article 12. MISCELLANEOUS

- 12.1 Terms used in the Agreement will have the meanings indicated in the Special Provisions.
- 12.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically, but without limitation, monies that may become due and monies 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.
- 12.3 CONTRACTOR acknowledges and agrees that the existence of a prohibited interest during the term of this Agreement will render this Agreement voidable. CONTRACTOR further acknowledges and agrees that it also is aware of, and will abide by, the vendor disclosure requirements set forth in Chapter 176 of the Texas Local Government Code, as amended.
- 12.4 Each party represents and warrants to the other that it has the full power and authority to enter into and fulfill the obligations of this Agreement. The respective signatories to this Agreement, by affixing their signatures hereto, warrant and represent that they have the authority to bind their respective parties as duly authorized representatives thereof.
- 12.5 The parties acknowledge and agree that, in executing and performing this Agreement, CITY has not waived, nor shall be deemed to have waived, any defense or immunity, including governmental, sovereign and official immunity, that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein.
- 12.6 In the event that a term, condition or provision of this Agreement is determined to be invalid, illegal, void, unenforceable or unlawful by a court of competent jurisdiction, then that term, condition or provision shall be deleted and the remainder of the Agreement shall remain in full force and effect as if such invalid, illegal, void, unenforceable or unlawful provision had never been included in this Agreement.
- 12.7 If either party files any action or brings any proceeding against the other arising from this Agreement, then as between CITY and CONTRACTOR, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, reasonable and necessary attorneys' fees and litigation expenses both at trial and on appeal, subject to the limitations set forth in TEX. LOC. GOV'T CODE § 271.153, as it exists or may be amended, if applicable.
- 12.8 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement

of this Agreement, without regard to conflict of law principles. This Agreement is performable in Grayson County, Texas, and the exclusive venue for any action arising out of this Agreement shall be a court of appropriate jurisdiction in Grayson County, Texas.

- 12.9 Waiver by either party of any breach of this Agreement, or the failure of either party to enforce any of the provisions of this Agreement, at any time, shall not in any way affect, limit, or waive such party's right thereafter to enforce and compel strict compliance.
- 12.10 CONTRACTOR covenants and agrees that CONTRACTOR is an independent contractor and not an officer, agent, servant or employee of CITY; that CONTRACTOR shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing the same; that the doctrine of respondent superior shall not apply as between CITY and CONTRACTOR, its officers, agents, employees, contractors, subcontractors and consultants; and that nothing herein shall be construed as creating a partnership or joint enterprise between CITY and CONTRACTOR.
- 12.11 This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.
- 12.12 This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.
- 12.13 CITY and CONTRACTOR each binds itself, its partners, successors, assign, and legal representatives to the other party hereto, its partners, successors, assign and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

Article 13. **OTHER PROVISIONS**

None.

IN WITNESS WHEREOF, CITY and CONTRACTOR have signed this Agreement in multiple copies. One counterpart each has been delivered to CITY, CONTRACTOR and ENGINEER. All portions of the Contract Documents have been signed or identified by CITY and CONTRACTOR or by ENGINEER on their behalf. The date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature below) will be deemed the effective date of this Agreement (the "Effective Date").

CITY: CITY OF SHERMAN, TEXAS

CONTRACTOR: A T CONSTRUCTION, LLC

By: _____

Date: _____

Attest: _____

Address for giving notices:

By: _____

Date: _____

(Corporate Seal)

Attest: _____

Address for giving notices:

Bid Tabulation**Project:** Center Street Bridge Rehab**Owner:** City of Sherman**Number:** 2025-07**Project #3064 and Bid Number 2025-07****Date:** 1/21/2025

				A T Construction, LLC		J. B. & CO., LLC		A&B Construction, LLC	
Item	Description	Estimated Quantity		Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
P1	MOBILIZATION	1	LS	75,000.00	\$75,000.00	50,000.00	\$50,000.00	100,000.00	\$100,000.00
P2	PREPARING ROW	1	LS	10,000.00	\$10,000.00	15,000.00	\$15,000.00	40,000.00	\$40,000.00
P3	EARTHWORK (COMPLETE-IN-PLACE)	1	LS	30,000.00	\$30,000.00	40,000.00	\$40,000.00	95,000.00	\$95,000.00
P4	BARRICADES, SIGNS, AND TRAFFIC HANDLING	1	LS	20,000.00	\$20,000.00	5,000.00	\$5,000.00	25,000.00	\$25,000.00
P5	STORM WATER POLLUTION PLAN	1	LS	15,000.00	\$15,000.00	2,500.00	\$2,500.00	30,000.00	\$30,000.00
P6	DEWATERING	1	LS	15,000.00	\$15,000.00	30,000.00	\$30,000.00	125,000.00	\$125,000.00
P7	GALVANIZED WITH PVC COATED 3X3 GABION BASKETS	308	SY	200.00	\$61,600.00	690.00	\$212,520.00	750.00	\$231,000.00
P8	GALVANIZED WITH PVC COATED 12" GABION MATTRESS	113.00	SY	300.00	\$33,900.00	215.00	\$24,295.00	600.00	\$67,800.00
P9	REINFORCED CONCRETE ANCHOR BEAM	510.00	LF	50.00	\$25,500.00	200.00	\$102,000.00	95.00	\$48,450.00
P10	TIEBACKS	63.00	EA	6,250.00	\$393,750.00	2,875.00	\$181,125.00	5,000.00	\$315,000.00
P11	RC PIPE (CL III)(30 IN)	25.00	LF	300.00	\$7,500.00	1,000.00	\$25,000.00	350.00	\$8,750.00
P12	TY A STORM SEWER MH	1	EA	12,500.00	\$12,500.00	1,000.00	\$1,000.00	18,750.00	\$18,750.00
P13	3600 PSI CONCRETE OUTFALL STRUCTURE	5	CY	750.00	\$3,750.00	3,000.00	\$15,000.00	2,000.00	\$10,000.00
P14	OMITTED								
P15	RIPRAP (STONE PROTECTION)(24 IN)	750	SY	120.00	\$90,000.00	265.00	\$198,750.00	375.00	\$281,250.00
P16	TURF REINFORCEMENT MAT	530	SY	85.00	\$45,050.00	50.00	\$26,500.00	85.00	\$45,050.00
P17	SOD (ROLL MIN 24" WIDE)(BERMUDA SOD)	1415	SY	14.00	\$19,810.00	15.00	\$21,225.00	12.00	\$16,980.00
P18	HMAC (TY-B)(4")	40	TON	250.00	\$10,000.00	400.00	\$16,000.00	300.00	\$12,000.00
P19	HMAC (TY-D)(2")	20	TON	250.00	\$5,000.00	400.00	\$8,000.00	275.00	\$5,500.00
P20	FLEX BASE (6")(w/PRIME COAT)(RC-250)	150	SY	100.00	\$15,000.00	25.00	\$3,750.00	95.00	\$14,250.00
P21	REMOVING AGGREGATE BASE & ASPH PAV (12")	150.00	SY	25.00	\$3,750.00	20.00	\$3,000.00	75.00	\$11,250.00
P22	REMOVE ABANDONED PIPE AND HANGER SUPPORT	1.00	LS	5,000.00	\$5,000.00	5,000.00	\$5,000.00	1,500.00	\$1,500.00
P23	CONC STR REPAIR (VERTICAL & OVERHEAD)	1	LS	10,000.00	\$10,000.00	8,000.00	\$8,000.00	6,500.00	\$6,500.00
P24	STEEL RAIL REPAIR	1.00	LS	10,000.00	\$10,000.00	5,000.00	\$5,000.00	4,500.00	\$4,500.00
P25	BROADCAST OVERLAY	365	SY	60.00	\$21,900.00	5.00	\$1,825.00	250.00	\$91,250.00
P26	PAVEMENT MARKINGS AND MARKERS	1	LS	10,000.00	\$10,000.00	5,000.00	\$5,000.00	8,750.00	\$8,750.00
P27	INSTALL NEW SIGN AND SIGNPOST ASSEMBLY (CITY DETAIL)	1	EA	1,250.00	\$1,250.00	1,500.00	\$1,500.00	2,500.00	\$2,500.00
P28	TRENCH EXCAVATION PROTECTION (STORM SYSTEM)	25	LF	150.00	\$3,750.00	50.00	\$1,250.00	200.00	\$5,000.00
P29	PROJECT ALLOWANCE (ALLOWANCE)	1	LS	150,000.00	\$150,000.00	150,000.00	\$150,000.00	150,000.00	\$150,000.00
P30	ASHPALT PAVEMENT REPAIR	85	SY	200.00	\$17,000.00	15.00	\$1,275.00	175.00	\$14,875.00
W1	12" FUSIBLE PVC (C900 DR 18)(HDD)	484	LF	100.00	\$48,400.00	250.00	\$121,000.00	650.00	\$314,600.00
W2	12" FUSIBLE PVC (C900 DR 18) WATER LINE (OPEN CUT)	43	LF	100.00	\$4,300.00	250.00	\$10,750.00	400.00	\$17,200.00
W3	6" AWWA (C900 DR 18) PVC (OPEN CUT)	120	LF	90.00	\$10,800.00	180.00	\$21,600.00	180.00	\$21,600.00
W4	12" GATE VALVE	2	EA	250.00	\$500.00	3,000.00	\$6,000.00	10,000.00	\$20,000.00
W5	6" GATE VALVE	1	EA	250.00	\$250.00	2,500.00	\$2,500.00	3,000.00	\$3,000.00
W6	FIRE HYDRANT ASSEMBLY (COMPLETE-IN-PLACE)	1	EA	6,000.00	\$6,000.00	4,500.00	\$4,500.00	10,000.00	\$10,000.00

W7	CONNECT TO EXISTING WATER LINE	2	EA	750.00	\$1,500.00	7,500.00	\$15,000.00	10,250.00	\$20,500.00
W8	6" FIRE LINE METER & VAULT	1	LS	2,500.00	\$2,500.00	8,500.00	\$8,500.00	17,000.00	\$17,000.00
W9	WATER SERVICE CONNECTIONS	2	EA	1,500.00	\$3,000.00	1,500.00	\$3,000.00	4,000.00	\$8,000.00
W10	REMOVE EXISTING WATER LINE	70	LF	75.00	\$5,250.00	10.00	\$700.00	35.00	\$2,450.00
W11	ABANDON EXISTING WATER MAIN (IN PLACE)	2	EA	150.00	\$300.00	1,000.00	\$2,000.00	5,650.00	\$11,300.00
W12	REMOVE & DELIVER EXISTING FIRE HYDRANT ASSEMBLY	1	EA	750.00	\$750.00	2,000.00	\$2,000.00	2,500.00	\$2,500.00
W13	HYDROSTATIC TEST & DISINFECTION	527	LF	50.00	\$26,350.00	4.00	\$2,108.00	10.00	\$5,270.00
W14	TRENCH EXCAVATION PROTECTION (WATER LINE SYSTEM)	163	LF	150.00	\$24,450.00	10.00	\$1,630.00	65.00	\$10,595.00
TOTAL BASE BID					\$1,255,360.00		\$1,360,803.00		\$2,249,920.00
Bid Alternate - A									
P8A	GALVANIZED WITH PVC COATED 12" GABION MATTRESS	310	SY	300.00	\$93,000.00	\$250.00	\$77,500.00	\$600.00	\$186,000.00
Bid Alternate - B									
P14A	RIPRAP (CONC)(6 IN)	310	SY	100.00	\$31,000.00	270.00	\$83,700.00	375.00	\$116,250.00
TOTAL AMOUNT BID: BASE BID + BID ALTERNATE A					\$1,348,360.00		\$1,438,303.00		\$2,435,920.00
TOTAL AMOUNT BID: BASE BID + BID ALTERNATE B					\$1,286,360.00		\$1,444,503.00		\$2,366,170.00



Center Street Bridge Rehab Project





City Council Regular Meeting

Agenda Item No. G.3.

Meeting Date: 3/3/2025

Prepared By: Mary Lawrence, Chief Financial Officer

Approved By: Zachary Flores, Assistant City Manager

Caption:

RESOLUTION NO. 7485

Approving and Authorizing Publication and Posting of Notice of Intention to Issue Certificates of Obligation

Issue:

Consider all matters incident and related to approving and authorizing publication and posting of notice of intention to issue certificates of obligation (COs), including the adoption of a resolution pertaining thereto.

Background:

At the budget workshop held on June 26, 2024, projects requiring funding for FY 2025 were presented. Staff has worked on an updated project list since then, re-prioritizing as needed.

	2025 CO
	(in millions)
Streets	
Crossroads Infrastructure	\$ 11.5
TxDOT - FM 1417 56 to W. Travis ROW/Eng	1.0
Sidewalk/lighting/hardscape/landscape Downtown to destination - Design	0.5
Travis Heights/Bel Air Blvd	3.0
Flanary/Progress add'l funding	1.3
Downtown lighting, electrical and audio	0.3
Total Streets	17.6

Facilities	
Fire Station #3 remodel	3.0
Drainage	
Blanton/McGee Drainage	2.5
Parks	
Trail Development at Washington Meadows	
Pecan Grove West splash pad and amenities	
Old Settlers Park Pickleball Courts	
Old Settlers Park Ballfield renovation	
Pecan Grove West lighting, playground, parking	
Fairview Park playground, parking and plaza area	
Hawn Park Futsal, restroom, parking	2.0
	\$ 25.1

Origination:

Finance Department

Financial Consideration:

Funding for the estimated annual debt service of approximately \$1.5 million will be provided through the City's ad valorem tax revenue, with a secondary pledge coming from the City's water and sewer revenues. Cost of advertising for the publications is expected to be about \$500.00.

Staff Recommendation:

Staff recommends approval.

Alternatives:

The Council could choose not to issue debt and postpone or cancel the construction of projects.

Attachments:

1. Resolution No. 7485
2. 2025 CO Timetable for Issuance 1-17-25 (ID 440599)

RESOLUTION NO. 7485

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING PUBLICATION AND POSTING OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council (the "City Council") of the City of Sherman, Texas (the "City"), has determined that certificates of obligation should be issued under and pursuant to the provisions of Texas Local Government Code, Chapter 271, Subchapter C, as amended (the "Act"), for the purpose of paying contractual obligations to be incurred for (i) designing, constructing, improving, extending, expanding, upgrading developing, and equipping streets, roads, bridges, and intersections, including drainage, utility line relocations and extensions, sidewalks, entryways, landscaping, lighting, curbs, gutters, and acquisition of land and rights-of-way or other easements therefor; (ii) constructing and improving flood control and storm drainage facilities within the City; (iii) constructing, renovating, improving and equipping fire-fighting facilities; (iv) acquiring, constructing, improving and equipping park and recreation facilities, including the acquisition of land and rights-of-way therefor, (v) constructing, renovating, improving and equipping existing City administrative facilities, and (vi) paying professional services fees and other such costs incurred in connection therewith including the costs of issuing the Certificates; and,

WHEREAS, prior to the issuance of such certificates, the City Council is required to publish and post notice of its intention to issue the same in accordance with the provisions of the Act; now, therefor,

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

SECTION 1: The City Clerk is hereby authorized and directed to cause notice to be published of the Council's intention to issue certificates of obligation, in one or more series, in the principal amount not to exceed \$25,100,000 for the purpose of paying contractual obligations to be incurred for (i) designing, constructing, improving, extending, expanding, upgrading developing, and equipping streets, roads, bridges, and intersections, including drainage, utility line relocations and extensions, sidewalks, entryways, landscaping, lighting, curbs, gutters, and acquisition of land and rights-of-way or other easements therefor; (ii) constructing and improving flood control and storm drainage facilities within the City; (iii) constructing, renovating, improving and equipping fire-fighting facilities; (iv) acquiring, constructing, improving and equipping park and recreation facilities, including the acquisition of land and rights-of-way therefor, (v) constructing, renovating, improving and equipping existing City administrative facilities, and (vi) paying professional services fees and other such costs incurred in connection therewith including the costs of issuing the Certificates; to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's Waterworks and Sewer System. The notice hereby approved and authorized to be published and posted shall read substantially in the form and content of **Exhibit A** hereto attached and incorporated herein by reference as a part of this resolution for all purposes.

SECTION 2: The City Clerk shall cause the aforesaid notice to be (i) published in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of

the first publication to be at least forty-six (46) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation and (ii) posted continuously on the City's website for at least forty-five (45) days before the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation.

SECTION 3: The City reasonably expects to reimburse capital expenditures made from its own funds with respect to the projects described in Section 1 hereof with certificates of obligation proceeds and this Resolution shall constitute a declaration of official intent under Treas. Reg. § 1.150-2. The maximum principal amount of obligations expected to be issued for the projects is \$25,100,000.

SECTION 4: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 5: This Resolution shall be in force and effect from and after its passage on the date shown below.

[remainder of page intentionally left blank]

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
SHERMAN, TEXAS on this the 3rd day of March 2025.**

CITY OF SHERMAN, TEXAS

**BY: _____
SHAWN TEAMANN, MAYOR**

ATTEST:

**BY: _____
LINDA ASHBY, CITY CLERK**

**APPROVED AS TO FORM AND CONTENT:
THE LAW FIRM OF ABERNATHY, ROEDER,
BOYD & HULLETT, P.C.**

**BY: _____
RYAN D. PITTMAN, CITY ATTORNEY**

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CITY OF SHERMAN, TEXAS CERTIFICATES OF OBLIGATION

TAKE NOTICE that the City Council of the City of Sherman, Texas, shall convene at 5:00 p.m. on April 21, 2025, at the Sherman Police Headquarters, 2600 W Travis Street, Sherman, Texas 75092, and, during such meeting, the City Council will consider the passage of an ordinance authorizing the issuance of certificates of obligation, in one or more series, in an amount not to exceed \$25,100,000 for the purpose of paying contractual obligations to be incurred for (i) designing, constructing, improving, extending, expanding, upgrading developing, and equipping streets, roads, bridges, and intersections, including drainage, utility line relocations and extensions, sidewalks, entryways, landscaping, lighting, curbs, gutters, and acquisition of land and rights-of-way or other easements therefor; (ii) constructing and improving flood control and storm drainage facilities within the City; (iii) constructing, renovating, improving and equipping fire-fighting facilities; (iv) acquiring, constructing, improving and equipping park and recreation facilities, including the acquisition of land and rights-of-way therefor, (v) constructing, renovating, improving and equipping existing City administrative facilities, and (vi) paying professional services fees and other such costs incurred in connection therewith including the costs of issuing the Certificates; such certificates to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's Waterworks and Sewer System. In accordance with Texas Local Government Code Section 271.049, (i) the current principal amount of all of the City's outstanding public securities secured by and payable from ad valorem taxes is \$192,040,000; (ii) the current combined principal and interest required to pay all of the City's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$302,493,916; (iii) the estimated combined principal and interest required to pay the certificates of obligation to be authorized on time and in full is \$46,508,525; (iv) the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the certificates to be authorized is August 15, 2055. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of Texas Local Government Code, Chapter 271, Subchapter C, as amended.

Linda Ashby
City Clerk
City of Sherman, Texas



City of Sherman, Texas
Timetable for Issuance of
\$30,000,000 Combination Tax & Revenue C/O's (C/O's), Series 2025

Monday, March 3, 2025*

- City Council approves Notice of Intent to issue Series 2025 C/O's. This Notice (prepared by Bond Counsel) will need to be published at least 46 days prior to the sale date for the C/O's and published again 7 days after the initial publication date.

Week of:

March 31st, 2025

- Rating call with S&P (final date/time TBD).

Monday, April 7, 2025

- POS electronically posted using *I-Deal*.

Tuesday, April 15, 2025

- S&P assigns rating.

Monday, April 21, 2025*

- Sale. Series 2025 C/O's are awarded by City Council.

Thursday, May 15, 2025

- Closing. Series 2025 C/O's are delivered and proceeds distributed in accordance with Closing Instructions.

* Requires Official Council Meeting.



City Council Regular Meeting

Agenda Item No. G.4.

Meeting Date: 3/3/2025

Prepared By: Wayne Lee, Director of Engineering

Approved By: Zachary Flores, Assistant City Manager

Caption:

RESOLUTION NO. 7486

Awarding a Bid to and Authorizing Execution of a Contract Between GDC Industrial Inc. and the Greater Texoma Utility Authority Based on an Invitation to Bid for the Post Oak Wastewater Treatment Plant Electrical Upgrades Project

Issue:

To consider awarding a bid to and authorizing execution of a contract between GDC Industrial Inc. of Sulphur Springs, Texas, and the Greater Texoma Utility Authority based on an invitation to bid for the Post Oak Wastewater Treatment Plant Electrical Upgrades Project

Background:

The project was conceived following the February 2021 ice storm and resulting power failures. It was agreed to add emergency backup generators for the water and wastewater treatment plants. The wastewater treatment plant was found to require more extensive electrical work, and significant increased future demands are requiring additional transformers, generators, and switchgear. The increased work has been incorporated into this construction contract.

The first bidding of this project last year had one non-responsive bid, who provided a bid bond for the wrong project. The project was re-bid with a bid opening on January 29, 2025. Three (3) bidders responded to the request for bids. The lowest responsible responsive bid in the amount of \$12,373,077.77 was submitted by GDC Industrial Inc. A bid tabulation is attached.

The low bidder was found to be non-responsive for incorrect Statement of Bidders Qualifications. The second bidder GDC was found to be well qualified and therefore recommended for award of this project.

Origination:

Engineering Department

Financial Consideration:

Funding will be provided through GTUA Open Market Bonds.

Staff Recommendation:

It is recommended that the bid be awarded for the Post Oak Wastewater Treatment Plant Electrical Upgrades Project to GDC Industrial Inc. in the amount of \$12,373,077.77. It is also recommended that the Greater Texoma Utility Authority (GTUA) be authorized to execute the required contract documents.

Alternatives:

As may be directed by City Council.

Attachments:

1. Resolution No. 7486
2. Agreement
3. Letter of Recommendation
4. Bid Tabulation
5. Location Map WWTP

RESOLUTION NO. 7486

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT BETWEEN GDC INDUSTRIAL INC. AND THE GREATER TEXOMA UTILITY AUTHORITY BASED ON AN INVITATION TO BID FOR THE POST OAK WASTEWATER TREATMET PLANT ELECTRICAL UPGRADES; 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 GDC Industrial Inc. of Sulphur Springs, Texas, is hereby awarded the bid and the City of Sherman hereby approves the contract between said contractor and the Greater Texoma Utility Authority in the amount of Twelve Million Three Hundred Seventy-Three Thousand Seventy-Seven Dollars and Seventy-Seven Cents (\$12,373,077.77) for the Post Oak Wastewater Treatment Plant Electrical Upgrades; subject to all Contract Documents being properly completed and approved as to form and content.

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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
SHAWN TEAMANN, MAYOR

APPROVED AS TO FORM:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

AGREEMENT

THIS AGREEMENT is by and between the GREATER TEXOMA UTILITY AUTHORITY (“GTUA”) on behalf of the City of Sherman, and GDC INDUSTRIAL, an INCORPORATED corporation (the “CONTRACTOR”). GTUA and CONTRACTOR are sometimes referred to collectively as the “parties” or individually as a “party.”

GTUA and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Article 1. WORK

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents (hereinafter defined) and shall furnish all personnel, labor, equipment, supplies and all other items necessary to provide the services and deliverables as specified by the terms and conditions of the Contract Documents (collectively, the “Work”). The Work is generally described as follows:

Post Oak Wastewater Treatment Plant – Electrical Upgrades Project

Article 2. ENGINEER

The Project has been designed by Plummer Associates, Inc., Fort Worth, Texas, who is hereinafter called ENGINEER and who is to act as GTUA'S representative, assume all duties and responsibilities and have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

Article 3. CONTRACT TIME

- 3.1 The Work must be substantially completed and ready for final payment within 670 calendar days from the date when the Contract Time commences to run, as provided in the General Conditions.
- 3.2 Liquidated Damages. GTUA and CONTRACTOR recognize that time is of the essence of this Agreement and that GTUA will suffer financial loss and actual damages if the Work is not completed within the time specified above, plus any extensions thereof allowed in accordance with the General Conditions. The parties also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss and damages suffered by GTUA if the Work is not completed on time. The exact amount of such loss and damages will be difficult to ascertain. Accordingly, instead of requiring any such proof, GTUA and CONTRACTOR agree that CONTRACTOR shall pay GTUA \$ 565.00 for each calendar day in which the Work is not completed, not as a penalty but as liquidated damages for the loss and damages that would be suffered by GTUA as a result of delay for each and every calendar day that the CONTRACTOR shall have failed to have completed the Work as required herein.

Article 4. **CONTRACT PRICE**

GTUA shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents in current funds as follows:

At the unit prices shown on the Unit Price Bid Schedule included in the Contract Documents.

Article 5. **PAYMENT PROCEDURES**

CONTRACTOR shall submit a Application for Payment in accordance with the General Conditions. Applications for Payment will be processed by GTUA, as provided in the Special Provisions.

CONTRACTOR and GTUA acknowledge and agree that the continuation of this Agreement after the close of any given fiscal year of GTUA, which fiscal year ends on September 30th of each year, shall be subject to GTUA Board approval. In the event that the GTUA Board does not approve the appropriation of funds for this Agreement, the Agreement shall terminate at the end of the fiscal year for which funds were appropriated, and the parties shall have no further obligations hereunder, except that GTUA shall be obligated to pay monies owed CONTRACTOR for Services it has provided pursuant to this Agreement through the end of that fiscal year provided that CONTRACTOR is not in breach of this Agreement.

Article 6. **INTEREST**

If the contract amount of this Agreement is less than \$5,000,000, no interest will be paid to the CONTRACTOR on retained money. When the contract amount exceeds \$5,000,000, no interest will be paid unless required by law.

Article 7. **CONTRACTOR'S REPRESENTATIONS**

In order to induce GTUA to enter into this Agreement, CONTRACTOR makes the following representations:

- 7.1 CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents, Work, site, locality, and all local conditions and Laws and Regulations that, in any manner, may affect cost, progress, performance or furnishing of the Work.
- 7.2 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.
- 7.3 CONTRACTOR has reviewed and fully agrees to the limitation of liability provisions included in the Special Provisions.
- 7.4 CONTRACTOR certifies that they are eligible to be awarded government contracts.

CONTRACTOR also certifies that any agreement entered into with a subcontractor will contain a clause stating that the subcontractor is eligible to be awarded government contracts.

Article 8. **CONTRACT DOCUMENTS**

The “Contract Documents,” which comprise the entire agreement between GTUA and CONTRACTOR concerning the Work, consist of the following:

- 8.1 This Agreement
- 8.2 Solicitation for Bids
- 8.3 Instructions to Respondents
- 8.4 Certifications Required by Texas Law
- 8.5 Suspension and Debarment Certification
- 8.6 Bid Bond and Bid Bond POA
- 8.7 Statement of Respondent’s Qualifications
- 8.8 Insurance Requirement Affidavit
- 8.9 Bid Submittal
- 8.10 Resolution of Award
- 8.11 Form 1295, Certificate of Interested Parties
- 8.12 Certificate of Insurance
- 8.13 Performance Bond and POA
- 8.14 Payment Bond and POA
- 8.15 Notice to Proceed
- 8.16 Closeout Documents
- 8.17 Special Provisions
- 8.18 Technical Specification prepared or issued by the City of Sherman dated September 2024.
- 8.19 Drawings, consisting of sheets numbered 1 through 77 , inclusive with each sheet bearing the following general title: City of Sherman, **Post Oak Wastewater Treatment Plant – Electrical Upgrades**
- 8.20 Addenda numbers__ to __, inclusive.
- 8.21 The following, which may be delivered or issued after the Effective Date of the Agreement and are not attached hereto:

All written Amendments, change orders, and other documents amending, modifying, or supplementing the Contract Documents pursuant to the Special Provisions. The parties understand and agree that deviations or modifications to the scope of Work described in the Contract Documents, in the form of one or more written Contingency Change Allowance or also change orders, may be authorized from time to time by GTUA (“Change Orders”). “Extra” work, “claims” invoiced as “extra” work or “claims” which have not been issued as a duly executed, written Change Orders by the GTUA Manager or his designee will not be authorized for payment and/or shall not become part of this Agreement. A duly executed, written Change Order shall be preceded by the GTUA’s authorization for the GTUA Manager to execute said Change Order. CONTRACTOR agrees that GTUA’S project managers are authorized to issue Contingency Allowance Authorization but GTUA’S project managers, superintendents and/or inspectors not authorized to

issue verbal or written Change Orders.

There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented, as outlined in this Agreement.

Article 9. INDEMNITY

CONTRACTOR HEREBY RELEASES AND SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS **GTUA**, THE CITY OF SHERMAN AND THEIR RESPECTIVE BOARD OR CITY COUNCIL MEMBERS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES (COLLECTIVELY REFERRED TO AS **“GTUA”** FOR PURPOSES OF THIS SECTION) FROM AND AGAINST ALL DAMAGES, INJURIES (WHETHER IN CONTRACT OR IN TORT, INCLUDING PERSONAL INJURY AND DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, ACTIONS, JUDGMENTS, LIENS, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY’S FEES AND EXPENSES (INCLUDING ATTORNEY’S FEES AND EXPENSES INCURRED IN ENFORCING THIS SECTION), THAT IN WHOLE OR IN PART ARISE OUT OF OR ARE CONNECTED WITH GOODS AND/OR SERVICES PROVIDED BY **CONTRACTOR**, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM **CONTRACTOR** IS LEGALLY RESPONSIBLE (COLLECTIVELY REFERRED TO AS **“CONTRACTOR”** FOR PURPOSES OF THIS SECTION) PURSUANT TO THIS AGREEMENT AND/OR THE NEGLIGENT, GROSSLY NEGLIGENT AND/OR INTENTIONAL WRONGFUL ACT AND/OR OMISSION OF **CONTRACTOR** IN ITS/THEIR PERFORMANCE OF THIS AGREEMENT, REGARDLESS OF THE JOINT OR CONCURRENT NEGLIGENCE OF **GTUA** (COLLECTIVELY, **“CLAIMS”**). THIS INDEMNIFICATION PROVISION AND THE USE OF THE TERM **“CLAIMS”** IS ALSO SPECIFICALLY INTENDED TO APPLY TO, BUT IS NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER CIVIL OR CRIMINAL, BROUGHT AGAINST **GTUA** BY ANY GOVERNMENT AUTHORITY OR AGENCY RELATED TO ANY PERSON PROVIDING SERVICES UNDER THIS AGREEMENT THAT ARE BASED ON ANY FEDERAL IMMIGRATION LAW AND ANY AND ALL CLAIMS, DEMANDS, DAMAGES, ACTIONS AND CAUSES OF ACTION OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, EXISTING OR CLAIMED TO EXIST, RELATING TO OR ARISING OUT OF ANY EMPLOYMENT RELATIONSHIP BETWEEN **CONTRACTOR** AND ITS EMPLOYEES OR SUBCONTRACTORS AS A RESULT OF THAT SUBCONTRACTOR’S OR EMPLOYEE’S EMPLOYMENT AND/OR SEPARATION FROM EMPLOYMENT WITH **CONTRACTOR**, INCLUDING BUT NOT LIMITED TO ANY DISCRIMINATION CLAIM BASED ON SEX, SEXUAL ORIENTATION OR PREFERENCE, RACE, RELIGION, COLOR, NATIONAL ORIGIN, AGE OR DISABILITY UNDER FEDERAL, STATE OR LOCAL LAW, RULE OR REGULATION, AND/OR ANY CLAIM FOR WRONGFUL TERMINATION, BACK PAY, FUTURE WAGE LOSS, OVERTIME PAY, EMPLOYEE BENEFITS, INJURY SUBJECT TO RELIEF UNDER THE WORKERS’ COMPENSATION ACT OR WOULD BE SUBJECT TO RELIEF UNDER ANY POLICY FOR WORKERS COMPENSATION INSURANCE, AND ANY OTHER CLAIM, WHETHER IN TORT, CONTRACT OR OTHERWISE.

IN ITS SOLE DISCRETION, **GTUA** SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY **CONTRACTOR** IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY **GTUA**, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY **GTUA** IN WRITING. **GTUA** RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, **GTUA** IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY **GTUA** IS NOT TO BE CONSTRUED AS A WAIVER OF **CONTRACTOR**’S OBLIGATION TO DEFEND **GTUA** OR AS A

WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY GTUA PURSUANT TO THIS AGREEMENT. CONTRACTOR SHALL RETAIN GTUA-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF GTUA'S WRITTEN NOTICE THAT GTUA IS INVOKING ITS RIGHT TO DEFENSE OR INDEMNIFICATION UNDER THIS AGREEMENT. If CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, GTUA SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND CONTRACTOR SHALL BE LIABLE FOR ALL COSTS INCURRED BY GTUA.

THE RIGHTS AND OBLIGATIONS CREATED BY THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

Article 10. LIABILITY

To the fullest extent permitted by law, CONTRACTOR shall be fully and solely responsible and liable for its own acts and omissions, including those of its officers, agents, representatives, employees, subcontractors, licensees, invitees and all other parties performing services for or on behalf of CONTRACTOR under this Agreement, and for any and all damage to CONTRACTOR's equipment and other property. GTUA and the City of Sherman assume no such responsibility or liability. GTUA and the City of Sherman shall have no such responsibility or liability to either CONTRACTOR or its officers, agents, representatives, employees, subcontractors, licensees, invitees or other persons.

Article 11. TERMINATION

GTUA or the City of Sherman is entitled to terminate this Agreement at any time for any reason or for no reason by giving CONTRACTOR at least thirty (30) days' prior written notice of the termination date.

GTUA or the City of Sherman is entitled to terminate this Agreement immediately on breach of any term or provision of the Contract Documents by CONTRACTOR. If at any time during the term of this Agreement, CONTRACTOR shall fail to commence the work in accordance with the provisions of the Contract Documents or fail to diligently perform the work in an efficient, timely and careful manner and in strict accordance with the provisions of the Contract Documents, then GTUA or the City of Sherman shall have the right to terminate this Agreement. Any such act by GTUA or the City of Sherman shall not be deemed a waiver of any other right or remedy of GTUA or the City of Sherman.

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

Article 12. MISCELLANEOUS

12.1 Terms used in the Agreement will have the meanings indicated in the Special Provisions.

- 12.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically, but without limitation, monies that may become due and monies 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.
- 12.3 CONTRACTOR acknowledges and agrees that the existence of a prohibited interest during the term of this Agreement will render this Agreement voidable. CONTRACTOR further acknowledges and agrees that it also is aware of, and will abide by, the vendor disclosure requirements set forth in Chapter 176 of the Texas Local Government Code, as amended.
- 12.4 Each party represents and warrants to the other that it has the full power and authority to enter into and fulfill the obligations of this Agreement. The respective signatories to this Agreement, by affixing their signatures hereto, warrant and represent that they have the authority to bind their respective parties as duly authorized representatives thereof.
- 12.5 The parties acknowledge and agree that, in executing and performing this Agreement, GTUA has not waived, nor shall be deemed to have waived, any defense or immunity, including governmental, sovereign and official immunity, that would otherwise be available to it or the City of Sherman against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein.
- 12.6 In the event that a term, condition or provision of this Agreement is determined to be invalid, illegal, void, unenforceable or unlawful by a court of competent jurisdiction, then that term, condition or provision shall be deleted and the remainder of the Agreement shall remain in full force and effect as if such invalid, illegal, void, unenforceable or unlawful provision had never been included in this Agreement.
- 12.7 If either party files any action or brings any proceeding against the other arising from this Agreement, then as between GTUA and CONTRACTOR, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, reasonable and necessary attorneys' fees and litigation expenses both at trial and on appeal, subject to the limitations set forth in TEX. LOC. GOV'T CODE § 271.153, as it exists or may be amended, if applicable.
- 12.8 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement, without regard to conflict of law principles. This Agreement is performable in Grayson County, Texas, and the exclusive venue for any action arising out of this Agreement shall be a court of appropriate jurisdiction in Grayson County, Texas.
- 12.9 Waiver by either party of any breach of this Agreement, or the failure of either party to enforce any of the provisions of this Agreement, at any time, shall not in any way affect,

limit, or waive such party's right thereafter to enforce and compel strict compliance.

- 12.10 CONTRACTOR covenants and agrees that CONTRACTOR is an independent contractor and not an officer, agent, servant or employee of GTUA; that CONTRACTOR shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing the same; that the doctrine of respondent superior shall not apply as between GTUA and CONTRACTOR, its officers, agents, employees, contractors, subcontractors and consultants; and that nothing herein shall be construed as creating a partnership or joint enterprise between GTUA and CONTRACTOR.
- 12.11 GTUA and CONTRACTOR agree the City of Sherman is an intended third-party beneficiary of CONTRACTOR's obligations under the Contract Documents and shall be entitled to enforce such obligations as if it were a party hereto and may seek and obtain any and all available remedies against CONTRACTOR in the event CONTRACTOR breaches any term or provision of the Contract Documents, it being the intent of GTUA and CONTRACTOR to confer direct benefits on the City of Sherman under the Contract Documents. In addition, GTUA and CONTRACTOR agree that the City of Sherman is entitled to exercise all rights of GTUA under the Contract Documents.
- 12.12 This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.
- 12.13 This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.
- 12.14 GTUA and CONTRACTOR each binds itself, its partners, successors, assign, and legal representatives to the other party hereto, its partners, successors, assign and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

Article 13. **OTHER PROVISIONS**

None.

IN WITNESS WHEREOF, GTUA and CONTRACTOR have signed this Agreement in multiple copies. One counterpart each has been delivered to GTUA, CONTRACTOR and ENGINEER. All portions of the Contract Documents have been signed or identified by GTUA and CONTRACTOR or by ENGINEER on their behalf. The date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature below) will be deemed the effective date of this Agreement (the "Effective Date").

GTUA:

By: _____

Date: _____

Attest: _____

Address for giving notices:

CONTRACTOR: _____

GDC INDUSTRIAL, INC.

By: _____

Date: _____

(Corporate Seal)

Attest: _____

Address for giving notices:

1320 HILLCREST N, SULPHUR
SPRINGS, 75482, TEXAS.
GREGG COUNTY



PLUMMER

1422-003-01
2/14/2025

Mr. Thomas Pruitt, PE
Utility Engineer
City of Sherman
317 S Travis Street
Sherman, Texas 75090

Re: City of Sherman
Post Oak Water Treatment Plant
Electrical Upgrades 2025-08
1422-003-01

Dear Mr. Pruitt:

On Wednesday, January 29, 2025, three bids were received, opened, and publicly read aloud at the Sherman Temporary City Hall - Training Room, City of Sherman for the above referenced project. The bids were as follows:

Bidder	Bid Amount
Alterman	Base Bid: \$17,068,239.00 Alternate Bid: \$18,754,089.00
GDC Industrial, Inc.	Base Bid: \$12,373,077.77 Alternate Bid: \$14,094,775.69
Taknek, L.L.C.	Base Bid: \$11,884,865.00 Alternate Bid: \$12,884,911.00

Background Information and Analysis

Taknek, L.L.C. was the apparent low bidder with a Total Base Bid of \$11,884,865.00. Plummer contacted the references Taknek, L.L.C. provided in their bid documents. After our inquiry with the references, we found shortcomings and negative feedback from those of the lowest bidder Taknek, L.L.C. For example, public records for the City of Denison show the cancellation of their contract. This cancellation of the contract was not disclosed and was omitted from the Statement of Respondents of Qualifications question #11. Thus, causing the lowest bidder to not meet the characteristics of *"reputation, quality, safety, similar work, workload, familiarity, with working with the City, and economics security of the prospective bidder"* as required on the bid documents. Engineer does not recommend award to lowest bidder.

GDC Industrial, Inc. was the next lowest bidder. Plummer contacted the references GDC Industrial, Inc. provided in their bid documents. All references provided positive feedback such as; projects that were

completed on schedule and within budget; no substantial change orders; and project managers were organized and professional. We have reviewed their bid. Since it appears to be in order, we recommend awarding the project to GDC Industrial, Inc. with a total Base Bid in the amount of: \$12,373,077.77.

Please call if you have any questions. We look forward to working with you during the construction of this project.

Sincerely,

PLUMMER



Digitally signed by Marco A
Barrera Cruz
Contact Info:
mbarrera@plummer.com
Date: 2025.02.14
14:32:58-06'00'

Marco A. Barrera, P.E.
EI&C Team Leader
817-806-1737

M.A.B/E.L.A.

cc: Sarah Kerr, P.E., Project Manager, Plummer

CITY OF SHERMAN

BID TABULATION

Project: Post Oak WWTP Electrical Upgrades

Project No: 1422-003-01

Bid Date: January 29, 2025 @ 3 PM

Bidder	Bid Amount
Alterman	Base Bid \$17,068,239.00 Alternate Bid: \$18,754,089.00
GDC Industrial, Inc.	Base Bid \$12,373,077.77 Alternate Bid: \$14,094,775.69
TAKNEK, LLC	Base Bid \$11,884,865.00 Alternate Bid: \$12,884,911.00

Bid Amount is the Basis of Bid per the Bidding Documents, as read at Bid Opening.



Sherman
CLASSIC TOWN. BROAD HORIZON.



City Council Regular Meeting

Agenda Item No. G.5.

Meeting Date: 3/3/2025

Prepared By: Nic Emmons, Assistant Police Chief

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** RESOLUTION NO. 7487**

Authorizing the Execution of a Radio System License Agreement between the Texas Area Solid Waste Authority and the City of Sherman

Issue:

Radio System License Agreement between City of Sherman and TASWA

Background:

The City of Sherman takes its trash out to TASWA. Signing this agreement will allow for better communication between the City of Sherman and TASWA.

Origination:

Sherman Police Department

Financial Consideration:

TASWA will pay the City \$6 a month per user and will have approximately 23 users.

Staff Recommendation:

Staff recommends the approval of Radio System License Agreement between City of Sherman and TASWA

Alternatives:

none

Attachments:

1. Resolution No. 7487
2. Radio License Agreement

RESOLUTION NO. 7487

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A RADIO SYSTEM LICENSE AGREEMENT BETWEEN THE TEXAS AREA SOLID WASTE AUTHORITY AND THE CITY OF SHERMAN; 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 to authorize a radio system license agreement with the Texas Area Solid Waste Authority (TASWA) and the City of Sherman.

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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
SHAWN TEAMANN, MAYOR

**APPROVED AS TO FORM AND
CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C.**

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

RADIO SYSTEM LICENSE AGREEMENT

THIS LICENSE is hereby granted as of _____, 2025 (“Effective Date”) by the City of Sherman, Texas, a municipal corporation, duly incorporated and existing under the constitution and laws of the State of Texas (“Licensor”), and to Texoma Area Solid Waste Authority, a municipal corporation duly incorporated and existing under the constitution and laws of the State of Texas (“Licensee”). Collectively referenced herein as the “Parties.”

WITNESSETH

WHEREAS, The City of Sherman owns an 800 MHz Trunked Radio System (“TRS”) and is duly licensed by the Federal Communications Commission (“FCC”) for the operation of same, and

WHEREAS, Texoma Area Solid Waste Authority, desires to utilize the TRS for daily operational needs and to facilitate both radio operability and interoperability within the region, and

WHEREAS, the City of Sherman desires to enhance both radio operability and interoperability within the region;

NOW, THEREFORE, in consideration of the mutual covenants, agreements, and benefits to all parties, agree as follows:

1. DEFINITIONS

All terms and phrases not expressly defined herein shall have their ordinary meanings, consistent with local and state law, except where the context clearly indicates a different meaning. For purposes of this license agreement, the following terms and phrases shall have the meaning subscribed herein:

1.1 License

The written agreement between the City of Sherman and Texoma Area Solid Waste Authority, covering the radio system services to be provided, and covering the duties, obligations, and rights of the Parties and including any amendments thereto.

1.2 Radio system

The 800 MHz Trunked Radio System (“TRS”) owned and operated by the City of Sherman and licensed by the FCC for specific purposes which enable audio conversations to be conducted between users utilizing specific radio subscriber equipment.

1.3 Radio subscriber equipment

Mobile, stationary, or portable communications devices communicating among themselves over specific airwave frequencies.

1.4 Talkgroup

A designated identifier within a trunked radio system to group users with common conversational needs. Logically equivalent to the term "channel" when referring to conventional radio systems.

1.5 Public Safety Agency

Governmental and public entities or those non-governmental, private organizations which are properly authorized by the appropriate governmental authority whose primary mission is providing public safety services.

2. OBLIGATIONS OF THE LICENSOR

Licensor agrees that during the term of this agreement, it shall:

- A. Permit the Licensee access to the Radio System for purposes of conducting daily operational business;
- B. Permit the Licensee access to the Radio System for purposes of radio interoperability with other Public Safety Agencies, both within the TRS and external to the TRS as provided by the system capabilities;
- C. Upon notification that one or more of the units of the Licensee's Radio Subscriber Equipment has been lost or stolen, the Licensor will take all reasonable actions to prevent any of the Licensee's lost or stolen units from gaining access to the Radio System;
- D. Provide the same level of priority access to the Radio System as that afforded to the Licensor.

3. OBLIGATIONS OF THE LICENSEE

Licensee agrees that during the term of this agreement, it shall:

- A. Assume all costs and responsibility for providing Radio Subscriber Equipment meeting the technical specification standards as set by the Licensor;
- B. Pay all applicable fees as provided in the fee schedules set forth in Exhibit A.
- C. Provide the Licensor with a minimum of ten (10) working days prior notification of any intent to increase or decrease the number of Radio Subscriber Equipment units in use by the Licensee;
- D. Upon notification that one or more units of its Radio Subscriber Equipment have been lost or stolen, take all reasonable actions to notify the Licensor at the earliest possible opportunity.
- E. The Licensee shall provide either a certificate of insurance or a letter of self-insurance.

4. OBSERVANCE OF LAWS, RULES, AND REGULATIONS

The Parties agree to observe and abide by all applicable statutes, laws, rules, and regulations, including, but not limited to, those enforced by the FCC, as well as those applicable administrative rules of the Parties that are now in effect or that may become effective during the term of this

License. The Parties acknowledge that, should any statute, rule, regulation, or administrative rule change during the term of this License, and if this change necessitates a modification of the License, the modification may be effectuated by the other party without incurring any liability for such modification. The Parties also agree to amend the License Agreement to conform with said change of law. Provided, however, either party may terminate this Agreement in the event that such change in law or rulemaking make the terms of this Agreement untenable to the Parties.

5. LICENSE PERIOD/TERM/TERM RENEWAL AND TERMINATION

This License shall be effective upon the execution of the Agreement by all parties through June 30, 2025, at midnight, with an option to renew for four (4) successive terms ending the 30th day of June of each year under the same terms and conditions, provided both parties agree to renew, subject to annual appropriations.

5.1 Discretionary Termination

This Agreement may be terminated by either Party for any reason or cause, or no reason at all, upon sixty (60) days written notice to the Parties.

5.2 Payment upon Termination

Upon receipt of the written notice of termination, the Licensee shall pay the Licensor for all outstanding expenses, costs and charges incurred and all work and services rendered up to the time of termination.

6. NOTICES

All notices and orders given pursuant to this License shall be in writing, delivered to either party using either a traceable delivery service or certified mail. Notices and orders are to be addressed as follows:

If to Licensee:

Texoma Area Solid Waste Authority
Attn: John L. O'Steen
Attn: Executive Director
25090 State Hwy 56
Whitesboro, TX 76273
Telephone: (903) 564-4749

If to Licensor:

The City of Sherman - Public Safety
Attn: Administration
2600 West Travis Street
Sherman, Texas 75092
Telephone: (903) 892-7290

The person and the place to which notices are to be mailed to either party may be changed from time to time by notice given in accordance with the provisions of this section.

7. ENTIRE AGREEMENT

This agreement, including its exhibits and any other documents or certificates incorporated herein by reference, expresses the entire understanding of The Parties. Neither the Licensee nor the Licensor has made or shall be bound by any agreement or any representation to the other concerning this agreement, which is not expressly set forth herein.

8. SEVERABILITY

In the event that any provision, clause, portion, or section of this agreement is unenforceable or invalid for any reason, such unenforceability or invalidity may not affect the enforceability or validity of any other paragraph or the remainder of this agreement.

9. AMENDMENT

This License may be modified only by a written amendment of subsequent date hereto, approved and signed by The Parties.

10. DESCRIPTIVE HEADINGS

The descriptive headings of the sections of this License are inserted or annexed for convenience of reference only and shall not affect the meaning, construction, interpretation, or effect of this agreement.

11. LIABILITY

Licensee agrees to be responsible for its own acts of negligence, and Licensor agrees to be responsible for its own acts of negligence, which may arise in connection with this agreement. In the event of joint and concurrent negligence, Licensee and Licensor agree that responsibility shall be apportioned comparatively. This obligation shall be construed for the benefit of the Parties hereto, and not for the benefit of any third-parties, nor to create liability for the benefit of any third-parties, nor to deprive the Parties hereto of any defenses or immunities each may have as against third parties under the laws and court decisions of the State of Texas.

12. INDEPENDENT CONTRACTOR

It is expressly understood and agreed that Licensee shall operate as an independent contractor as to all rights and privileges granted herein, and not as an agent, representative, or employee of Licensor. Subject to and in accordance with the conditions and provisions of this agreement, Licensee shall have the exclusive right to control the details of its operations and activities and be solely responsible for the acts and omissions of its employees, directors, officers, agents, authorized representatives, subcontractors, and consultants. Licensee acknowledges that the doctrine of *respondeat superior* shall not apply as between Licensor, its employees, directors, officers, agents, authorized representatives, subcontractors, and consultants, and Licensee and its

employees, directors, officers, agents, authorized representatives, subcontractors, and consultants. Licensee further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between Licensor and Licensee.

13. GOVERNMENTAL POWERS/IMMUNITIES

It is understood and agreed that by execution of the agreement, neither Licensor nor Licensee waives or surrenders any of its governmental powers or immunities.

14. CONSTRUCTION AND ENFORCEMENT

This License shall be construed and enforced in accordance with the laws of the State of Texas. In the event of ambiguity in any of the terms of this agreement, it shall not be construed for or against any party on the basis that such party did or did not author the same.

15. SURVIVAL OF REPRESENTATIONS

All representations and covenants of the parties shall survive the expiration of this License.

16. PARTIES BOUND

This License shall be binding upon and inure to the benefit of all parties. This License is solely for the benefit of the parties and their successors in interest, and none of the provisions hereof are intended to benefit third parties.

17. VENUE

The parties agree that if any legal action is brought pursuant to this License, such action shall be instituted in the district court of Grayson County.

18. EFFECTIVE DATE

The effective date of this License shall be as stated in this agreement by the Parties.

19. NO WAIVER

No omission or delay by either party to this License at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms of this agreement, shall be a waiver of any such right or remedy to which either party is entitled, nor shall it in any way affect the right of either party to enforce such provisions thereafter.

20. FORCE MAJEURE

In the event that performance by either party of any of its obligations or undertakings under this agreement shall be interrupted or delayed by any occurrence not occasioned by the conduct of either party hereto, whether such occurrence be an act of God such as lightning, earthquakes, floods or other like causes, the common enemy, the result of war, riot, strike, lockout, civil commotion, sovereign conduct, explosion, fire, epidemic and/or pandemic or the act or conduct of any person or persons not a party to or under the direction or control of a party hereto, then such performance

shall be excused for such period of time as is reasonably necessary after such occurrence to remedy the effects thereof.

21. SERVICE INTERRUPTION

Licensor does not guarantee 100% coverage or service availability. To the extent that service interruption does occur, Licensor will take reasonable steps to remedy the cause of such interruption and restore service to the previous standard of service. Licensor will not be liable to Licensee for lost service during such period of service loss.

{SIGNATURE PAGE TO FOLLOW}

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed and delivered by their authorized representatives on or as of the day and year first hereinabove written.

APPROVED by the Council and signed by the City Manager of The City of

Sherman this _____ day of _____, 2025.

ATTEST:

CITY OF SHERMAN

a Texas home rule municipality

Linda Ashby, City Secretary

Zac Flores, City Manager

REVIEWED for form and legality.

CITY ATTORNEY

**TEXAS AREA SOLID WASTE
AUTHORITY,**



John L. O'Steen, Executive Director

REVIEWED for form and legality.

ATTORNEY

EXHIBIT A

FEE SCHEDULE

USAGE FEES

Usage fees will be \$6.00 a month per user. Equipment damage is not covered under the terms of repair and is the financial responsibility of the Licensee.

BILLING FREQUENCY

Usage and fees will be billed annually in arrears.



City Council Regular Meeting

Agenda Item No. G.6.

Meeting Date: 3/3/2025

Prepared By: Stacy Hricko, Administrative Specialist

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** RESOLUTION NO. 7488**

Authorizing the Purchase of a Kubota Tractor for the Parks Maintenance Department

Issue:

This is new additional equipment specifically for pulling a shredder for mowing the dams at Herman Baker, Pecan Grove, Hickory Hill, and other locations as become necessary.

Background:

This task has previously been completed with a smaller unit, which is ineffective because it is not designed to pull the weight of the necessary implements. Additionally, this tractor possesses a wider wheelbase which will provide more stability and safety in the completion of this mowing predominantly completed on a slope. This equipment will prevent the need to follow up with a finish mower or other implement, thus saving time and resources.

Origination:

Parks Maintenance FY 24-25 budgeted funds

Financial Consideration:

FY 24-25 budget

Staff Recommendation:

Parks Maintenance requests this purchase

Alternatives:

As recommended by City Council

Attachments:

1. Resolution No. 7488
2. kubota quote

RESOLUTION NO. 7488

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF A KUBOTA TRACTOR FOR THE PARKS MAINTENANCE; 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 to purchase from Zimmerer Kubota through Sourcewell a 100 hp tractor and implements for sixty eight thousand five hundred seventy-four dollars and seventy cents (68,574.70). Any agreements related to the purchase must be approved by the City Attorney. Funds for this purchase are being committed out of the City of Sherman's fiscal year 2024-2025 budget.

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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:
THE LAW FIRM OF ABERNATHY, ROEDER,
BOYD & HULLETT, P.C.

BY: _____
RYAN PITTMAN, CITY ATTORNEY

-- Standard Features --

-- Custom Options --



M Series

M5-111HDC12-1

4WD, HYDRAULIC SHUTTLE TRANSMISSION & ROPS

*** EQUIPMENT IN STANDARD MACHINE & SPECIFICATIONS ***

DIESEL ENGINE

Kubota V3800 Direct Injection
3.8L (230 cu. In.) 4 Cyl
EPA Tier 4 Final Compliant
Common Rail Electronic Fuel Injection
Electronic Engine Management
Turbocharged
w/Wastegate and Intercooled
Fuel Tank Capacity: 27.7 Gal
60 Amp Alternator ROPS
80 Amp Alternator Cab
12V 900 CCA Battery
SAE Gross HP: 105.6
Engine Net HP: 100
Max . PTO HP: 89
Cab @ 2600 Engine RPM
ROPS @ 2400 Engine RPM

TRANSMISSION

8F/8R Two Range, 4-Speed
12F/12R Two Range, 6-Speed
540/540E
24F/24R Two Range, 6-Speed Hi/Lo
540/540E
24 speed on M5-111 only
Auto 4WD Function
Electro-Hydraulic Shuttle Shift
Clutch - Multi Plate Wet
Planetary Final Drives
Hydraulic Wet Disc Brakes

FRONT AXLE

Hydrostatic Power Steering
2WD: Tubular Steel Beam Telescoping
4WD: Cast Iron, Bevel Gear 55 deg
Planetary Final Drives
Adj. (Rim) Tread Spacing

EXHAUST EMISSION CONTROL TYPE

DPF System (Diesel Particulate Filter)
SCR System

HYDRAULICS / HITCH / DRAWBAR

Open Center Gear Pump
Max. Flow @ Rated Engine Speed: ROPS:
2400 rpm
Cab: 2600 rpm
Power Steering: 5.4 gpm
Impl. Flow ROPS: 15.9 gpm
Impl. Flow Cab: 17.0 gpm
Total Flow - ROPS: 21.3 gpm
Total Flow - Cab: 23.1 gpm

REMOTE VALVES

(1) SCD (Self Canceling Detent)
(1) FD (Float Detent) on -1 models (2 Total standard)

3 POINT HITCH & DRAWBAR

Cat II 3-point Hitch
8 Speed Models
@ Lift Points: 7055 lbs
(ASAE) @ 24" Behind: 5181 lbs
12/24 Speed Models
@ Lift Points: 8600 lbs
(ASAE) @ 24" Behind: 7275 lbs
2 External Lift Cylinders
Telescoping Lower Links
Stabilizers
Swinging Drawbar - Straight

POWER TAKE OFF (540)

Live-Independent Hyd. PTO
SAE 1 3/8" Six Spline
540 rpm @ 2205 Eng. rpm
540 rpm @ 2035 Eng. rpm 12/24 speed
540E* @ 1519 Eng. rpm
* if equipped 12/24 Standard

FLUID CAPACITY

Fuel Tank Capacity: 27.7 gal
DEF Tank Capacity: 3.2 gal
Cooling System: 11 qts
Crankcase: 11.3 qts
Hydraulics/Trans: 15.85 gal

INSTRUMENTS

LCD readout for MPH and PTO rpm
RPM Memory
Tachometer/Hour meter
Oil Pressure
Fuel Gauge
Coolant Temperature
Gear Speed Digital Light Indicator
Digital Light Indicator F/R Direction

ULTRA GRAND CAB II

4-post, ROPS Certified
RH & LH Doors
Tinted Glass Doors and Windows
In-roof window
Tilt Steering Wheel
Dual Level Air Conditioning & Heater
Front and Wiper/Washer
Front Sun Visor
Retractable Seat belt
LH & RH Side Mirrors
Radio Ready Cab
Steps, Left and Right Side
Interior Dome Light
12V - 30-Amp 2 Wire Coupler
12V - 3 Pin 30-Amp Coupler
12V - Outlet
Cup Holder
Instructor Seat Ready
Horn

SAFETY EQUIPMENT

Flip-Up PTO Shield

M5-111HDC12-1 Base Price: \$76,839.00

(1) FRONT AXLE SPACER KIT PNF M8595A-FRONT AXLE SPACER KIT PNF	\$763.00
(1) REAR AXLE SPACER KIT M7647-REAR AXLE SPACER KIT	\$1,559.00
(10) FRONT SUITCASE WEIGHT M8079-FRONT SUITCASE WEIGHT	\$1,300.00
(1) BOLT BAR KIT FOR M8075 BRACKET M8073A-BOLT BAR KIT FOR M8075 BRACKET	\$83.00
(1) FRONT WEIGHT-BUMPER 10 WEIGHT MAX M8075-FRONT WEIGHT-BUMPER 10 WEIGHT MAX	\$733.00
(1) AIR RIDE SEAT SUSPENSION UPGRADE KIT M9270-AIR RIDE SEAT SUSPENSION UPGRADE KIT	\$700.00
(1) M5 AIR RIDE SEAT WIRING HARNESS PNF M9205-M5 AIR RIDE SEAT WIRING HARNESS PNF	\$27.00

Configured Price: **\$82,004.00**

Sourcewell Discount: **(\$18,040.88)**

SUBTOTAL: **\$63,963.12**

2Yr M5-111HDC12-1 Extended Warranty **\$2,500.00**

Factory Assembly: **\$325.00**

Dealer Assembly: **\$480.33**

Freight Cost: **\$906.25**

PDI: **\$400.00**

Total Unit Price: **\$68,574.70**

Quantity Ordered: **1**

Final Sales Price: **\$68,574.70**

Purchase Order Must Reflect Final Sales Price.

To order, place your Purchase Order directly with the quoting dealer

- LIGHTING

2 Headlights - Tail lights

4 Hazard Flasher Lights w/ Turn Signals

2 Grille Mounted Worklights

2 Front Cab Halogen Worklights

2 Rear Halogen Worklights
- Electric Key Shut Off

Parking Brake

Turn Signals

SMV Sign

7-Pin Electrical Trailer Connector

SELECTED TIRES

sub456

FRONT - 12.4-24 R1W GOODYEAR OPTITRAC

REAR - 18.4-30 R1W GOODYEAR OPTITRAC

***Some series of products are sold out for 2022. All equipment specifications are as complete as possible as of the date on the quote. Additional attachments, options, or accessories may be added (or deleted) at the discounted price.** All specifications and prices are subject to change. Taxes are not included. The PDI fees and freight for attachments and accessories quoted may have additional charges added by the delivering dealer. These charges will be billed separately. Prices for product quoted are good for 60 days from the date shown on the quote. All equipment as quoted is subject to availability.

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107.154.191.2



City Council Regular Meeting

Agenda Item No. G.7.

Meeting Date: 3/3/2025

Prepared By: Nate Strauch, Community and Support Services Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** RESOLUTION NO. 7489**

Authorizing Execution of an Agreement with Glenda Sue Jacobs Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 321 W. Houston Street

Issue:

Authorizing Execution of an Agreement with Glenda Sue Jacobs Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 321 W. Houston Street

Background:

The Downtown Building Improvement Grant is designed to stimulate substantial, visible, and permanent improvements to historically significant buildings and to spur interest in vacant and underutilized buildings of historical value in the downtown TIRZ. Grants under the program are awarded at the City Council's sole discretion.

This application is for roof improvements to the structure built in 1953, currently addressed as 321 W Houston Street. The qualified costs for renovation work are approximately \$16,647.

Origination:

Glenda Sue Jacobs

Financial Consideration:

This project qualifies for a matching grant in the amount of \$4,161

Staff Recommendation:

It is recommended the Council approve the proposed incentive agreement.

Alternatives:

As directed

Attachments:

1. Resolution No. 7489
2. Application Packet

RESOLUTION NO. 7489

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH GLENDA SUE JACOBS UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 321 W. HOUSTON STREET; 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 an agreement with Glenda Sue Jacobs for improvements to 321 W. Houston Street under the City of Sherman's Downtown Building Improvement Grant Program, 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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

**BY: _____
SHAWN TEAMANN, MAYOR**

ATTEST:

**BY: _____
LINDA ASHBY, CITY CLERK**

**APPROVED AS TO FORM AND
CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C**

**BY: _____
RYAN D. PITTMAN, CITY ATTORNEY**

Downtown Building Improvement Grant Application and Agreement

The information requested below will be used to process your application under the terms and conditions of the City of Sherman's Downtown Building Improvement Grant. All grant applications must include pictures of the current building, designs or renderings of the finished product, and historical pictures, if available.

I. Applicant Information

1. Applicant(s) name: Glenda Sue Jacobs
Mailing address: 1918 Jamaica Lane
City: Sherman State: TX Zip: 75092
2. Applicant's daytime telephone number: 903-815-1999
E-mail address: buddysue8191gj@gmail.com
3. Status of applicant (please check one)
☐ Property owner with vacant facility
☒ Property owner with tenant business
☐ Property owner/operator of existing business on property
☐ Property tenant with property owner consent
☒ Property deed, lease, or other document evidencing applicant's status
5. Length of ownership/ lease: 31 yrs
Date purchased/ leased: Sept 8, 1993

II. Property Information

1. Address of property to be improved: 321-325 W. Houston
2. Legal description of subject property:
55 x 140 ft. of land, J. B. McAnnis Survey - Part of
Lot 4, Blk "Y" and part of Lot 1, Blk "W", S. B. Allen
Addition, Sherman, Grayson County, Tx.
3. Grayson County Tax Assessor Parcel Number(s):
5034-2000001 R161731
4. Year built: 1950's Square footage: 1600
(Eligible buildings must be at least 50 years of age.)
6. What are the current types of businesses or other uses occupying the building?
Hair Salon (RG Hair Studio)

7. Name and phone number of tenant(s), if applicable: Ronald Gann
903-818-4175
(Attach additional names/numbers, if needed)
8. Use of building after construction: Originally the office of Tom Willis Realty - (owned by his family) - Then James E. Jacobs Appraiser office
9. Number of parking spaces provided: 15 Proposed: 0 Total: 15
10. Current zoning: Commercial - in downtown district
11. Is a zoning amendment required? Yes ___ No ✓

III. Project Description

1. Description of Proposed Improvements. Please provide a detailed description of your proposed improvements. Attach a copy of your architectural or design plans.

Description: Replace existing gravel/asphalt flat roof with PVC roof. Improve design around roof to enhance appearance.
Prior repairs, etc, have not been effective in stopping leaking around outside portions.

☒ Designs Attached

☒ "Before" Picture(s) Attached

2. How many jobs will be **retained** once the project is completed?
3 Full-time positions _____ Part-time positions
3. How many **new positions** will result from this project?
_____ Full-time positions _____ Part-time positions

IV. Work Estimates

Please attach a minimum of two (2) independent contractor estimates for the proposed improvements. Please note that grant funding shall be based on the lowest bid. Eligible costs shall be the cost of materials, equipment, and contracted labor to complete eligible improvements.

1. Name/Company and Phone Number of Preferred Contractor:

Texoma Roofing 903-421-2829

Amount: \$16,647.82

2. Name/Company and Phone Number of Second Contractor:

Lankford Roofing 903-465-7677

Amount: \$16,194.20

3. Additional Estimates/Comments: (Please attach additional quotes, as required)

4. Total estimated costs of your improvements: we prefer the PVC durlast proposed by Texoma Roofing

5. Estimated completion date for your improvements? TBD

VI. Agreement of Applicant and Property Owner

I/We, _____, of the City of Sherman, County of Grayson, State of Texas, declare under penalty of perjury that the information contained in this application is true and correct and that the information contained in the documents that accompany this application is true, correct, and complete. I/We certify and warrant that the proposed work described in this Application meets the eligibility requirements of the City of Sherman Downtown Building Improvement Grant Program. In exchange for the City of Sherman's consideration of this application, I/We hereby agree to the following:

I/We hereby authorize City of Sherman employees and agents to perform inspections of my/our property if granted funds under the City of Sherman Downtown Building Improvement Grant Program, both before and during the work for which funds are granted under this Program and after completion of the work to ensure compliance with the terms and conditions of the Program and all other applicable ordinances and other laws.

I/We acknowledge that any work carried out prior to written confirmation of grant approval may not be eligible for reimbursement.

I/We acknowledge receiving, understanding, and accepting the terms and conditions of the City of Sherman Downtown Building Improvement Grant Program, and agree to fully comply with the same along with all other applicable ordinances and other laws, all of which are incorporated herein by reference, if granted funds under the Program. I agree that the City of Sherman is entitled to the immediate return or reimbursement of any and all funds paid to the Applicant or other persons under the Program, plus interest and collection costs, in the event the Applicant fails to complete the work for which the grant was approved or otherwise fails to comply with all applicable Program guidelines and requirements, ordinances and other laws. I/We Applicants further acknowledge and agree that, if funds provided by the City to the Applicant under the Program are determined at any time not to comply with

applicable state laws relating to the authorized uses of such funds, all funds paid to the Applicant or other persons under the Program shall be immediately returned or reimbursed to the City.

Chapter 2264 Certification: Pursuant to Chapter 2264 of the Texas Local Government Code, I/We hereby certifies that the Applicant's business, or a branch, division, or department of the Applicant's business, does not and will not knowingly employ an undocumented worker. An undocumented worker means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under the law to be employed in that manner in the United States. If after receiving this grant from the City of Sherman, Applicant, or a branch, division, or department of Applicant's business, is convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the grant with interest, at the rate and according to the terms provided by this Agreement under Section 2264.053 of the Texas Local Government Code, not later than the 120th day after the date the Applicant is notified of the violation. I/We agree that this document serves as an agreement under Chapter 380 of the Texas Local Government Code.

I/We agree to indemnify, release, defend and hold harmless the City of Sherman and its officers, employees and agents, from and against all claims, losses, liabilities, damages, suits, actions, or proceedings asserted or brought by any person, including Applicant and the property owner and their respective officers, employees, agents, contractors, and subcontractors, arising out of personal injury, death or property damage from any cause whatsoever in whole or in part arising out of this Agreement or the activities completed hereunder.

Applicant or Authorized Agent of Applicant

**Property Owner (if different from Applicant)
or Authorized Agent of Property Owner**

VII. Consent of the Owner to the Use and Disclosure of Information

I/We, Glenda Sue Jacobs, am the owner of the land that is the subject of this Application, and I/we authorize and consent to the use by or the disclosure to any person or public body, including the City of Sherman, of any personal or other information that is collected for the purposes of processing this application and administering the grant program. (Note: Information provided in this application will become a public record, subject to disclosure under the Texas Public Information Act and/or Texas Open Meetings Act.)

11/13/24
Date

Glenda Sue Jacobs
Signature of Owner(s)

gf# 51527
ff \$ 8

014039

WARRANTY DEED WITH VENDOR'S LIEN

DATE: September 8, 1993

GRANTOR: TOM D. WILLIS joined pro forma by wife, ALICE WILLIS
318 Hidden Valley Trail, Sherman (Grayson County) Texas 75090

GRANTEE: JAMES E. JACOBS and wife, GLENDA SUE JACOBS
321 W. Houston, Sherman (Grayson County), Texas 75090

For and in consideration of the sum of Ten and No/100ths Dollars (\$10.00) and other good and valuable consideration to the undersigned paid, the receipt and sufficiency of which is hereby acknowledged, and the further consideration being the execution and delivery by Grantees of their one certain promissory note of even date in the principal amount of THIRTY-EIGHT THOUSAND, FOUR HUNDRED and No/100ths Dollars (\$38,400.00), payable to the order of TOM D. WILLIS, in Sherman, Grayson County, Texas, and bearing interest at the rate specified therein and providing for acceleration of maturity in the event of default and for attorneys fees as allowed therein, said note being secured by a vendor's lien retained herein upon the herein described property and being additionally secured by Deed of Trust of even date upon the therein described property to Margaret Grynwald, Trustee, and recorded in the Real Property Records of Grayson County, Texas.

PROPERTY (including improvements):

Situated in the County of Grayson, State of Texas, being part of the J. B. McAnair Survey, Abstract No. 763, Grayson County, Texas, being part of LOT FOUR (4) in BLOCK "Y" and part of LOT ONE (1) in BLOCK "W" of S. B. ALLEN ADDITION, commonly known as the ALEXANDER AND ALLEN ADDITION, to the City of Sherman, Texas, as shown on plat recorded in Vol. "L" at page 39. Deed Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a found nail in a concrete retained wall on the North line of Houston Street, said nail maintaining the Southwest corner of said Lot 4;

THENCE North 16 deg. 31 min. 48 sec. West, with the West line of Lot 4 and along said retaining wall, a distance of 140.00 feet to a found 1/2 inch steel rod at the Northeast corner of said retaining wall, at the intersection of the west line of Lot 4 with the South line of a 20 foot wide alley;

THENCE North 74 deg. 00 min. 00 sec. East, along the South line of said alley, at a distance of 50.00 feet, passing the East line of Lot 4, the West line of said Lot 1 and continuing for a total distance of 55.00 feet to a set 3/8 inch steel rod at a found 5/8 inch steel rod bent;

THENCE South 16 deg. 31 min. 48 sec. East, a distance of 140.00 feet to a set nail in concrete on the South line of said Lot 1, the North line of Houston Street;

THENCE South 74 deg. 00 min. 00 sec. West, with the North line of Houston Street, the South line of said Lot 1, at a distance of 5.00 feet passing its Southwest corner, the Southeast corner of said Lot 4, and continuing with the South line of said Lot 4 for a total distance of 55.00 feet to the place of beginning, containing 55.00 x 140.00 feet of land, more or less.

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTIES:

All presently valid restrictions, reservations, covenants, conditions, rights-of-way, easements, mineral leases, and royalty and mineral conveyances now outstanding and of record, if any, in Grayson County, Texas, affecting the herein described property.

Grantor, for the consideration recited and subject to the reservations from and exceptions to conveyance and warranty as set forth above, grants, sells and conveys to Grantees the property together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold to Grantees, Grantees' heirs, administrators, executors, successors or assigns forever. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend all and singular the property to Grantees and Grantees' heirs, executors, administrators, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty.

The vendor's lien against and superior title to the property are retained until said note described is fully paid according to its terms, at which time this deed shall become absolute.

When the context requires, singular nouns and pronouns include the plural.

Current ad valorem taxes on said property having been prorated, the payment thereof is assumed by grantee.

Grantor warrants and affirms that Fred D. Willis and wife, Abbie P. Willis, are deceased, thereby terminating the life estate interests held by them.

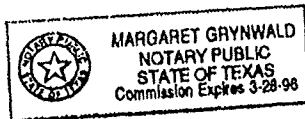
> Tom D. Willis
TOM D. WILLIS

> Alice Willis
ALICE WILLIS

State of Texas

County of Grayson

This instrument was acknowledged before me on the 8th day of September, 1993, by Tom D. Willis and Alice Willis.



> Margaret Grynwald
Notary Public, State of Texas

Filed for record and recorded September 13, 1993 at _____ .M.
Sara Jackson, County Clerk
By Andrea L. Burnett Deputy

Office of Bruce Stidham Assessor-Collector
100 W. Houston, Suite 11
P.O. Box 2107
Sherman, TX 75091-2107
(903)892-8297
(903)893-4973

2024 Tax Statement

Date	QuickRef ID
11/14/2024	R161731
CAD ID	Owner ID
161731	O0498073
Property Description	
Legal ALLEN S B ADDN, BLOCK Y, LOT 4, & BLOCK W, 5' LOT 1, 55X140 7700 SF, ACRES .1768	
Property Location 321 W HOUSTON SHERMAN	

Property ID: S034-2000001

R161731
JACOBS GLENDA S
1918 JAMAICA LN
SHERMAN, TX 75092-2311



City Taxes Reduced By Additional Sales Tax 216.65

Property Values	
Land	59,906
Improvement	121,680
AG Market	0
AG Use	0
Timber Market	0
Timber Use	0
Cap Adjustment	0
Assessed	181,586

Tax Breakdown							
Tax Year	Taxing Unit	Tax Rate	Exemptions	Taxable	Tax	Tax Paid	Tax Due
2024	Grayson College	0.145990	0	172,548	251.90	0.00	251.90
2024	Grayson County	0.305100	0	172,548	526.44	0.00	526.44
2024	Sherman City	0.508000	0	172,548	876.54	0.00	876.54
2024	Sherman School	1.234200	0	172,548	2,129.58	0.00	2,129.58
TOTAL					3,784.46	0.00	See TOTAL DUE

Pay by	%	P&I	Total Due
Nov 2024		0.00	3,784.46
Dec 2024		0.00	3,784.46
Jan 2025		0.00	3,784.46
Feb 2025	7%	264.91	4,049.37
Mar 2025	9%	340.61	4,125.07
Apr 2025	11%	416.30	4,200.76
May 2025	13%	491.98	4,276.44
Jun 2025	15%	567.67	4,352.13
Jul 2025	18%+15%	1,351.02	5,135.48
Aug 2025	19%+15%	1,394.58	5,179.04

IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE
DISABLED, AND YOU OCCUPY THE PROPERTY DESCRIBED
IN THIS DOCUMENT AS YOUR RESIDENCE HOMESTEAD,
YOU SHOULD CONTACT THE APPRAISAL DISTRICT
REGARDING ANY ENTITLEMENT YOU MAY HAVE TO A
POSTPONEMENT IN THE PAYMENT OF THESE TAXES

TOTAL DUE IF PAID BY
November 30, 2024 3,784.46

detach and return bottom portion with payment

Property ID
R161731
Owner ID
O0498073
Property Location
321 W HOUSTON SHERMAN

Make check payable to:
Office of Bruce Stidham Assessor-Collector
100 W. Houston, Suite 11
P.O. Box 2107
Sherman, TX 75091-2107
(903)892-8297
(903)893-4973

TOTAL DUE IF PAID BY
November 30, 2024 3,784.46



%000000784356C0000105421

R161731
JACOBS GLENDA S
1918 JAMAICA LN
SHERMAN, TX 75092-2311

2024000R161731000000378446

TEXOMA ROOFING

And Construction
321w Houston st Sherman tx
Estimate

16 sq Commercial roofing system Remove tar and gravel roofing system Install 40mil PVC fully adhered Durolast roofing system with- 2.5 inch Insulation board.(per regional code) This application will assure proper building code and R factor. Duro-last is a PVC style commercial roofing system that is fire retardant and energy efficient this particular product reflects up to 88% of the suns energy and in most cases we see significant savings on electricity during summer months. All proper flashing, and metal edge will be applied. Durolast is also considered to be a class IV Roofing system, which allows for insurance breaks. This includes labor, materials, tax and trash disposal 10 year leak free warranty from Texoma Roofing. Tyler Wilburn/Ryan Vicars Senior project manager Texoma roofing and construction 903/421/2829 twilburn@texomarroofing.com	
Total	\$16,647.82



+1 (903) 421-2829 >

I will try to convince my mom to go with Texoma Roofing.

Also on Duro-last, I forgot to mention it comes standard with a 15 year warranty with the option to purchase a 20 year warranty and the 20 year warranty on that roof would be around 3000 which Tpo gets nowhere near those options as far as #Warranty goes

Ok sounds way better than TPO. I will tell my mom all this and let you know what city says. Thanks again



iMessage





Example
of
PVC
roof
from
Texoma
Roofing

Sign and Approve



Print



Download

ESTIMATE

Lankford Roofing And Construction Estimate #

LANKFORD
 ROOFING & CONSTRUCTION, LLC
 21994 Westbbs HWY 132
 32511th Texas 75092
 903-465-7677
 www.lankfordroofing.com
 Sales@lankfordroofing.com

158860

Date

09/26/2024

Bhondary Texas 75092 (tel:(903) 465-7677)

(903) 465-7677 lankfordroofing.com (mailto:Sales@lankfordroofing.com)

Web: www.lankfordroofing.com (//www.lankfordroofing.com)

Description

Total

TPO

\$14,960.00

Remove the existing gravel and asphalt Built up roof,add 3" iso board and install 60 mil. TPO . We will also install new metal edge around the perimeter of the building on the south, east,and north sides. On the west wall we will add a custom made coping cap to cover the top of the block wall to prevent water from penetrating the structure in that area. All metal will be designed and fabricated by Lankford Roofing using 26 gauge sheet metal, color to be chosen from a group of in house colors by the customer. All labor has a 2 year workmanship warranty from Lankford Roofing

Tap here to view the photo in full screen

Subtotal	\$14,960.00
Sales Tax	\$1,234.20
Total	\$16,194.20

Texas law requires a person insured under a property insurance policy to pay any deductible applicable to a claim made under the policy. It is a violation of Texas law for a seller of goods or services who reasonably expects to be paid wholly or partly from the proceeds of a property insurance claim to knowingly allow the insured person to fail to pay, or assist the insured person's failure to pay, the applicable insurance deductible.

Payment Due Upon Completion.

1. Authorized personnel only are the only persons authorized to obligated or contract for Lankford Roofing Co. The only representations, warranties or agreements binding upon Lankford Roofing CO. are those reflected in written instrument signed by Steve Polston.

2. You must tell Lankford about all refrigerant, electrical, and water lines which Lankford might encounter in performing this job.

(iii.) Customer waives all other obligations, liabilities and duties that Lankford might have including for any loss, expense or damage arising out of Lankford's service, sale, installation, use, or operation, whether direct, indirect or consequential including damage to structure or contents, and whether caused by Lankford's negligence, product defect or otherwise.

(iv.) You are specifically advised and acknowledge that Lankford is not liable for and you waive all damage related to refrigerant, gas, electric or water lines, or failure to cover the structure, or take precautions against lightning, wind, hurricane, tornado, sleet, hailstorm, impact of foreign objects or other violent storm or casualty, or damage due to settlement, distortion, failure or crackling of the roof deck, walls or foundation of a building.

(v.) You also understand and agree that Lankford is not responsible for the repair or replacement of pre-existing defects or damage, especially if such damage or the need for such repair was not known to authorized personnel only at the time of contracting or such repair was not contemplated in Lankford's pricing. You agree to take reasonable precautions to prevent damage to your property due to elements during the period of your roof repairs and to notify Lankford of any approaching adverse weather condition or storms of which you are aware and request that Lankford take reasonable prophylactic action.

7. Indemnity and Hold Harmless Agreement – Customer agrees to indemnify and hold Lankford, its agents and employees harmless from and against all claims, damages, losses, and expenses. Including costs, expenses and attorney fees, from action arising out of or relating to the contract/ job or work, including any action for bodily injury, illness, or death, or for property damage, including loss of use, and including any action arising out of, or in any manner connected or related to this job. Lankford's operations on your premises or of the materials Lankford uses on this job, including all claims resulting from Lankford's alleged negligence, breach of express or implied warranty (except as Lankford's warranty is specifically provided herein), or alleged breach of the doctrine of strict liability in tort.

8. Delivery Dates – All promised, estimated and scheduled delivery or installation dates are only estimates of the time normally required to deliver and/or install the materials or perform the service. Such delivery and installation dates are subject to change without liability to Lankford and customer hereby waives and releases Lankford from any liability from any delays in delivery or installation. If any such delay is unreasonable in light of all relevant circumstances, the customer's sole remedy is to declare the contract in breach and get credit or reimbursement for the reasonable cost of completing the job by another contractor.

9. Additional Work – No work is contemplated or required unless expressly stated in this contract. Repair or replacement of deteriorated decking, fascia boards, roof jacks, ventilators, flashing or other items are not contemplated in the contract and will only be done at an additional cost unless specifically included.

10. Miscellaneous –

(a) This contract can not be modified, superseded or otherwise altered except by written instrument signed by authorized personnel only.

(b) Any typographical or clerical error contained herein is subject to correction at any time by Lankford

(c) The prevailing party in a suit on this contract shall be entitled to recover reasonable attorney fees actually incurred.

(d) Jurisdiction for any litigation relating to this job or contract shall only be in Grayson County, Texas, and will be governed by and construed in accordance with laws of the State of Texas.

11. Entire Agreement – This Contract constitutes the entire understanding of the parties hereto, and shall supersede, override, and control any prior contract, understanding or representation of any of the parties.

The above prices, specifications and conditions are satisfactory and accepted. You are authorized to do the work as specified. Payment will be made as outlined.

Lankford Roofing and Construction

Glenda Jacobs

Finance Your Home Project

PAYMENTS STARTING FROM

\$267/month

Get Started

Checking rates won't affect credit score



ABOUT LANKFORD ROOFING AND CONSTRUCTION

www.lankfordroofing.com (<https://www.lankfordroofing.com>).

3. Terms of payment – Payment will be made to Lankford Roofing Co. (hereinafter referred to as Lankford) at its office in Sherman, Texas. Final payment will be due as provided on the face of this contract or upon completion of the work if not specified. Interest is payable at the rate of 1.5% per month (or, if such rate is less, at the maximum rate permitted by law) on the unpaid balance of all past due amounts. You will pay all costs of collection of past due amounts, including but not limited to third-party collection fees, asset searches, filing fees, foreclosure and sales expenses, attorney fees and court costs.

4. All customer's waivers, limitation, terms and conditions in this contract applicable to Lankford also extend to, cover and ensure to the benefit of Lankford's employees, officers, agents, and sub- or independent contractors.

5. Force Majeure – Lankford is excused from, and shall not be liable to the customer or to any other party for any losses, whether direct, indirect, consequential or otherwise, arising out of, or in connection with any condition, event or delay in its completion due to any cause beyond Lankford's control, including but not limited to weather, fires, failure of or delays in transportation, inability to procure materials or labor, labor troubles causing cessation of or slowdown or interruption of work, war, warlike operations, armed aggression, riots, or insurrections.

6. Warranty – Lankford does not warrant the materials used or installed. Your only redress for defective or inappropriate materials is against the manufacturer. Ask Lankford for a copy of the manufactures product literature, warranties and registration forms. Be sure to file warranty forms on time.

(i.) Lankford will repair or replace, at its option, any defective installations which becomes manifest within three-hundred sixty-five (365) days of completion if this work project provided the defect is the result of its sub-standard workmanship and Lankford is given written notice of such defect and a reasonable opportunity to inspect the alleged defect before it is remedied or altered and to make the needed repairs. Such notice must be given within 30 days of the customers discovery of the possible defect or this warranty becomes void.

(ii.) The above warranty is expressly in lieu of (and customer hereby waives) all other warranties, expressed, statutory or implied in fact or by law. It is further agreed that there are no other warranties from Lankford in connection with the materials, service or labor under this relationship, agreement or job. This contract excludes warranties of good and workman like performance, merchantability or fitness for a purpose.



City Council Regular Meeting

Agenda Item No. G.8.

Meeting Date: 3/3/2025

Prepared By: Nate Strauch, Community and Support Services Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** RESOLUTION NO. 7490**

Authorizing Execution of an Agreement with 200 N Travis LP Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 200 N Travis Street

Issue:

Authorizing Execution of an Agreement with 200 N Travis LP Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 200 N Travis Street

Background:

The Downtown Building Improvement Grant is designed to stimulate substantial, visible, and permanent improvements to historically significant buildings and to spur interest in vacant and underutilized buildings of historical value in the downtown TIRZ. Grants under the program are awarded at the City Council's sole discretion.

This application is for air conditioner improvements to the structure built in 1889, currently addressed as 200 N Travis Street. The qualified costs for renovation work are \$60,000.

Origination:

Stuart Dupuy

Financial Consideration:

This project qualifies for a matching grant in the amount of \$15,000

Staff Recommendation:

Staff recommends approval

Alternatives:

As directed

Attachments:

1. Resolution No. 7490
2. Application Packet

RESOLUTION NO. 7490

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH 200 N. TRAVIS LP UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 200 N TRAVIS STREET; 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 an agreement with 200 N. Travis LP for improvements to 200 N. Travis Street under the City of Sherman's Downtown Building Improvement Grant Program, 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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM AND
CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C**

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

Downtown Building Improvement Grant Application and Agreement

The information requested below will be used to process your application under the terms and conditions of the City of Sherman's Downtown Building Improvement Grant. All grant applications must include pictures of the current building, designs or renderings of the finished product, and historical pictures, if available.

I. Applicant Information

1. Applicant(s) name: 200 N Travis LP
Mailing address: 4544 S Lamar Blvd Ste 350
City: Austin State: TX Zip: 78745
2. Applicant's daytime telephone number: 512-879-7509
E-mail address: stuart.dupuy@mbfagency.com
3. Status of applicant (please check one)
☐ Property owner with vacant facility
☒ Property owner with tenant business
☐ Property owner/operator of existing business on property
☐ Property tenant with property owner consent
☐ Property deed, lease, or other document evidencing applicant's status
5. Length of ownership/ lease: 2 years
Date purchased/ leased: November 8, 2022

II. Property Information

1. Address of property to be improved: 200 N Travis St
2. Legal description of subject property:
Full legal description available upon request – it is quite lengthy
3. Grayson County Tax Assessor Parcel Number(s):
R161976
4. Year built: 1889 Square footage: 58,630
(Eligible buildings must be at least 50 years of age.)
6. What are the current types of businesses or other uses occupying the building?
JP Morgan Chase Bank, the United States District Court, The United States Probation Office, Kimley-Horn Engineering constitute 80% of the building. The remainder are small regional Tenants like LaCrone law firm and Texoma FC

7. Name and phone number of tenant(s), if applicable: rent roll available on request
(Attach additional names/numbers, if needed)
8. Use of building after construction: continued use
9. Number of parking spaces provided: n/a Proposed: n/a Total: no change
10. Current zoning: Commercial
11. Is a zoning amendment required? Yes___ No_x__

III. Project Description

1. Description of Proposed Improvements. Please provide a detailed description of your proposed improvements. Attach a copy of your architectural or design plans.

Description: The HVAC equipment of this building needs to be completely replaced. Much of it was installed in the 1960s. It is not energy efficient and does not properly cool or heat the building. This last summer, for example, the cool was out for 3 weeks. As our first step of modernizing this HVAC system, which will be a 3-year project, we replaced 2 compressors

☐ **Designs Attached**

☐ **"Before" Picture(s) Attached**

2. How many jobs will be **retained** once the project is completed?
2 Full-time positions Part-time positions
3. How many **new positions** will result from this project?
0 Full-time positions Part-time positions

IV. Work Estimates

Please attach a minimum of two (2) independent contractor estimates for the proposed improvements. Please note that grant funding shall be based on the lowest bid. Eligible costs shall be the cost of materials, equipment, and contracted labor to complete eligible improvements.

1. Name/Company and Phone Number of Preferred Contractor:
 McDaniel Air Conditioning & Heating
 Amount: \$60,000
2. Name/Company and Phone Number of Second Contractor:
 Amount:

3. Additional Estimates/Comments: (Please attach additional quotes, as required)
4. Total estimated costs of your improvements: \$60,000 for this phase
5. Estimated completion date for your improvements? Completed

VI. Agreement of Applicant and Property Owner

I/We, 200 N Travis LP by Stuart Dupuy, Manager, of the City of Sherman, County of Grayson, State of Texas, declare under penalty of perjury that the information contained in this application is true and correct and that the information contained in the documents that accompany this application is true, correct, and complete. I/We certify and warrant that the proposed work described in this Application meets the eligibility requirements of the City of Sherman Downtown Building Improvement Grant Program. In exchange for the City of Sherman's consideration of this application, I/We hereby agree to the following:

I/We hereby authorize City of Sherman employees and agents to perform inspections of my/our property if granted funds under the City of Sherman Downtown Building Improvement Grant Program, both before and during the work for which funds are granted under this Program and after completion of the work to ensure compliance with the terms and conditions of the Program and all other applicable ordinances and other laws.

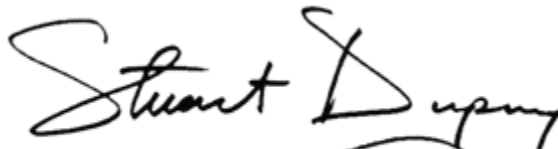
I/We acknowledge that any work carried out prior to written confirmation of grant approval may not be eligible for reimbursement.

I/We acknowledge receiving, understanding, and accepting the terms and conditions of the City of Sherman Downtown Building Improvement Grant Program, and agree to fully comply with the same along with all other applicable ordinances and other laws, all of which are incorporated herein by reference, if granted funds under the Program. I agree that the City of Sherman is entitled to the immediate return or reimbursement of any and all funds paid to the Applicant or other persons under the Program, plus interest and collection costs, in the event the Applicant fails to complete the work for which the grant was approved or otherwise fails to comply with all applicable Program guidelines and requirements, ordinances and other laws. I/We Applicants further acknowledge and agree that, if funds provided by the City to the Applicant under the Program are determined at any time not to comply with applicable state laws relating to the authorized uses of such funds, all funds paid to the Applicant or other persons under the Program shall be immediately returned or reimbursed to the City.

Chapter 2264 Certification: Pursuant to Chapter 2264 of the Texas Local Government Code, I/We hereby certifies that the Applicant's business, or a branch, division, or department of the Applicant's business, does not and will not knowingly employ an undocumented worker. An undocumented worker means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under the law to be employed in that manner in the United States. If after receiving this grant from the City of Sherman, Applicant, or a branch, division, or department of Applicant's business, is convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the grant with interest, at the rate and according to the terms provided by this Agreement under Section 2264.053 of the Texas Local Government Code, not later than the 120th day after the date the Applicant is notified of the violation. I/We agree that this document serves as an agreement under Chapter 380 of the Texas Local Government Code.

I/We agree to indemnify, release, defend and hold harmless the City of Sherman and its officers, employees and agents, from and against all claims, losses, liabilities, damages, suits, actions, or

proceedings asserted or brought by any person, including Applicant and the property owner and their respective officers, employees, agents, contractors, and subcontractors, arising out of personal injury, death or property damage from any cause whatsoever in whole or in part arising out of this Agreement or the activities completed hereunder.



Applicant or Authorized Agent of Applicant

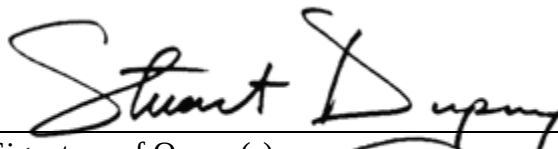
Property Owner (if different from Applicant)
or Authorized Agent of Property Owner

VII. Consent of the Owner to the Use and Disclosure of Information

I/We, 200 N Travis LP by Stuart Dupuy, Manager,
am the owner of the land that is the subject of this Application, and I/we authorize and consent to the use
by or the disclosure to any person or public body, including the City of Sherman, of any personal or
other information that is collected for the purposes of processing this application and administering the
grant program. *(Note: Information provided in this application will become a public record, subject to
disclosure under the Texas Public Information Act and/or Texas Open Meetings Act.)*

December 16, 2024

Date



Signature of Owner(s)



City Council Regular Meeting

Agenda Item No. G.9.

Meeting Date: 3/3/2025

Prepared By: Nate Strauch, Community and Support Services Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** RESOLUTION NO. 7491**

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 112 W Lamar Street

Issue:

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 112 W Lamar Street

Background:

The Downtown Building Improvement Grant is designed to stimulate substantial, visible, and permanent improvements to historically significant buildings and to spur interest in vacant and underutilized buildings of historical value in the downtown TIRZ. Grants under the program are awarded at the City Council's sole discretion.

This application is for improvements to the structure built before 1900, currently addressed as 112 W Lamar Street. The improvements included roof replacement and air conditioner upgrades. The qualified costs for renovation work are approximately \$363,393.

Origination:

Joey Gunn

Financial Consideration:

This project qualifies for a maximum reimbursement of \$50,000.

Staff Recommendation:

Recommend approval

Alternatives:

As directed

Attachments:

1. Resolution No. 7491
2. Application Packet

RESOLUTION NO. 7491

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 112 W. LAMAR STREET; 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 an agreement with Knight Furniture Co Inc for improvements to 112 W. Lamar Street under the City of Sherman's Downtown Building Improvement Grant Program, 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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

**BY: _____
SHAWN TEAMANN, MAYOR**

ATTEST:

**BY: _____
LINDA ASHBY, CITY CLERK**

**APPROVED AS TO FORM AND
CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C**

**BY: _____
RYAN D. PITTMAN, CITY ATTORNEY**

Downtown Building Improvement Grant Application and Agreement

The information requested below will be used to process your application under the terms and conditions of the City of Sherman's Downtown Building Improvement Grant. All grant applications must include pictures of the current building, designs or renderings of the finished product, and historical pictures, if available.

I. Applicant Information

1. Applicant(s) name: KNIGHT FURNITURE CO INC
Mailing address: 112 W. Lamar
City: Sherman State: TX Zip: 75090
2. Applicant's daytime telephone number: 903-893-9484
E-mail address: joey@knightfurniture.com
3. Status of applicant (please check one)
☐ Property owner with vacant facility
☐ Property owner with tenant business
☒ Property owner/operator of existing business on property
☐ Property tenant with property owner consent
☐ Property deed, lease, or other document evidencing applicant's status
5. Length of ownership/ lease: 100+ years
Date purchased/ leased: n/a

II. Property Information

1. Address of property to be improved: 108 W. Lamar, Sherman TX 75090
2. Legal description of subject property:
OTP SHERMAN, BLOCK 7, LOT PT 3, IRRG LOT 7250 SF, ACRES .1664
3. Grayson County Tax Assessor Parcel Number(s):
163624
4. Year built: late 1800's Square footage: 1,780
(Eligible buildings must be at least 50 years of age.)
6. What are the current types of businesses or other uses occupying the building?
Furniture and mattress retail
7. Name and phone number of tenant(s), if applicable: Knight Furniture and Mattress
(Attach additional names/numbers, if needed)

8. Use of building after construction: Furniture and mattress retail
9. Number of parking spaces provided: n/a Proposed: n/a Total: n/a
10. Current zoning: commercial
11. Is a zoning amendment required? Yes ___ No X

III. Project Description

1. Description of Proposed Improvements. Please provide a detailed description of your proposed improvements. Attach a copy of your architectural or design plans.

Description: We are replacing the roof and bringing it to current building code standards. This will help ensure longevity of the building by reducing deterioration of the walls and structure. We are also updating AC units to align with current standards and maintain safe usage.

☐ **Designs Attached**

☐ **"Before" Picture(s) Attached**

2. How many jobs will be **retained** once the project is completed?

13 Full-time positions 2 Part-time positions

3. How many **new positions** will result from this project?

n/a Full-time positions n/a Part-time positions

IV. Work Estimates

Please attach a minimum of two (2) independent contractor estimates for the proposed improvements. Please note that grant funding shall be based on the lowest bid. Eligible costs shall be the cost of materials, equipment, and contracted labor to complete eligible improvements.

1. Name/Company and Phone Number of Preferred Contractor:
Trock Roofing and Contracting, 108 E Houston, Ste 200, Sherman TX 75090, 903-271-3104

Amount: Roof \$87,633.56 + AC \$275,760.00 = \$363,393.56

2. Name/Company and Phone Number of Second Contractor:
d2 Built, 1200 N. East St, Sherman TX 75090, 940-289-0200

Amount: \$198,000.00 + \$

3. Additional Estimates/Comments: (Please attach additional quotes, as required)

4. Total estimated costs of your improvements: \$363,393.56

5. Estimated completion date for your improvements? As soon as possible

VI. Agreement of Applicant and Property Owner

I/We, _____, of the City of Sherman, County of Grayson, State of Texas, declare under penalty of perjury that the information contained in this application is true and correct and that the information contained in the documents that accompany this application is true, correct, and complete. I/We certify and warrant that the proposed work described in this Application meets the eligibility requirements of the City of Sherman Downtown Building Improvement Grant Program. In exchange for the City of Sherman's consideration of this application, I/We hereby agree to the following:

I/We hereby authorize City of Sherman employees and agents to perform inspections of my/our property if granted funds under the City of Sherman Downtown Building Improvement Grant Program, both before and during the work for which funds are granted under this Program and after completion of the work to ensure compliance with the terms and conditions of the Program and all other applicable ordinances and other laws.

I/We acknowledge that any work carried out prior to written confirmation of grant approval may not be eligible for reimbursement.

I/We acknowledge receiving, understanding, and accepting the terms and conditions of the City of Sherman Downtown Building Improvement Grant Program, and agree to fully comply with the same along with all other applicable ordinances and other laws, all of which are incorporated herein by reference, if granted funds under the Program. I agree that the City of Sherman is entitled to the immediate return or reimbursement of any and all funds paid to the Applicant or other persons under the Program, plus interest and collection costs, in the event the Applicant fails to complete the work for which the grant was approved or otherwise fails to comply with all applicable Program guidelines and requirements, ordinances and other laws. I/We Applicants further acknowledge and agree that, if funds provided by the City to the Applicant under the Program are determined at any time not to comply with applicable state laws relating to the authorized uses of such funds, all funds paid to the Applicant or other persons under the Program shall be immediately returned or reimbursed to the City.

Chapter 2264 Certification: Pursuant to Chapter 2264 of the Texas Local Government Code, I/We hereby certifies that the Applicant's business, or a branch, division, or department of the Applicant's business, does not and will not knowingly employ an undocumented worker. An undocumented worker means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under the law to be employed in that manner in the United States. If after receiving this grant from the City of Sherman, Applicant, or a branch, division, or department of Applicant's business, is convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the grant with interest, at the rate and according to the terms provided by this Agreement under Section 2264.053 of the Texas Local Government Code, not later than the 120th day after the date the Applicant is notified of the violation. I/We agree that this document serves as an agreement under Chapter 380 of the Texas Local Government Code.

I/We agree to indemnify, release, defend and hold harmless the City of Sherman and its officers, employees and agents, from and against all claims, losses, liabilities, damages, suits, actions, or proceedings asserted or brought by any person, including Applicant and the property owner and their respective officers, employees, agents, contractors, and subcontractors, arising out of personal injury, death or property damage from any cause whatsoever in whole or in part arising out of this Agreement or the activities completed hereunder.

Applicant or Authorized Agent of Applicant

**Property Owner (if different from Applicant)
or Authorized Agent of Property Owner**

VII. Consent of the Owner to the Use and Disclosure of Information

I/We, _____, am the owner of the land that is the subject of this Application, and I/we authorize and consent to the use by or the disclosure to any person or public body, including the City of Sherman, of any personal or other information that is collected for the purposes of processing this application and administering the grant program. *(Note: Information provided in this application will become a public record, subject to disclosure under the Texas Public Information Act and/or Texas Open Meetings Act.)*

Date

Signature of Owner(s)



City Council Regular Meeting

Agenda Item No. G.10.

Meeting Date: 3/3/2025

Prepared By: Nate Strauch, Community and Support Services Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** RESOLUTION NO. 7492**

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 210 S Travis Street

Issue:

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 210 S Travis Street

Background:

The Downtown Building Improvement Grant is designed to stimulate substantial, visible, and permanent improvements to historically significant buildings and to spur interest in vacant and underutilized buildings of historical value in the downtown TIRZ. Grants under the program are awarded at the City Council's sole discretion.

This application is for improvements (new roof) to the structure built prior to 1900, currently addressed as 210 S Travis

Street. The qualified costs for renovation work are approximately \$172,768.

Origination:

Joey Gunn

Financial Consideration:

This project qualifies for a matching grant of \$43,192.

Staff Recommendation:

Recommend approval

Alternatives:

As directed

Attachments:

1. Resolution No. 7492
2. Application Packet

RESOLUTION NO. 7492

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 210 S. TAVIS STREET; 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 an agreement with Knight Furniture Co Inc for improvements to 210 S. Travis Street under the City of Sherman's Downtown Building Improvement Grant Program, 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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

**BY: _____
SHAWN TEAMANN, MAYOR**

ATTEST:

**BY: _____
LINDA ASHBY, CITY CLERK**

**APPROVED AS TO FORM AND
CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C**

**BY: _____
RYAN D. PITTMAN, CITY ATTORNEY**

Downtown Building Improvement Grant Application and Agreement

The information requested below will be used to process your application under the terms and conditions of the City of Sherman's Downtown Building Improvement Grant. All grant applications must include pictures of the current building, designs or renderings of the finished product, and historical pictures, if available.

I. Applicant Information

1. Applicant(s) name: KNIGHT FURNITURE CO INC
Mailing address: 210 S. Travis
City: Sherman State: TX Zip: 75090
2. Applicant's daytime telephone number: 903-893-9484
E-mail address: joey@knightfurniture.com
3. Status of applicant (please check one)
☐ Property owner with vacant facility
☐ Property owner with tenant business
☒ Property owner/operator of existing business on property
☐ Property tenant with property owner consent
☐ Property deed, lease, or other document evidencing applicant's status
5. Length of ownership/ lease: 100+ years
Date purchased/ leased: n/a

II. Property Information

1. Address of property to be improved: 210 S Travis, Sherman TX 75090
2. Legal description of subject property:
OTP SHERMAN, BLOCK 7, LOT PT 5 & 6, 25 X 75 1875 SF, ACRES .043
3. Grayson County Tax Assessor Parcel Number(s):
163627
4. Year built: late 1800's Square footage: 1,875.00
(Eligible buildings must be at least 50 years of age.)
6. What are the current types of businesses or other uses occupying the building?
Furniture and mattress retail
7. Name and phone number of tenant(s), if applicable: Knight Furniture and Mattress
(Attach additional names/numbers, if needed)

8. Use of building after construction: Furniture and mattress retail
9. Number of parking spaces provided: n/a Proposed: n/a Total: n/a
10. Current zoning: commercial
11. Is a zoning amendment required? Yes ___ No X

III. Project Description

1. Description of Proposed Improvements. Please provide a detailed description of your proposed improvements. Attach a copy of your architectural or design plans.

Description: We are replacing the roof and bringing it to current building code standards. This will help ensure longevity of the building by reducing deterioration of the walls and structure.

☐ **Designs Attached**

☐ **“Before” Picture(s) Attached**

2. How many jobs will be **retained** once the project is completed?

13 Full-time positions

2 Part-time positions

3. How many **new positions** will result from this project?

n/a Full-time positions

n/a Part-time positions

IV. Work Estimates

Please attach a minimum of two (2) independent contractor estimates for the proposed improvements. Please note that grant funding shall be based on the lowest bid. Eligible costs shall be the cost of materials, equipment, and contracted labor to complete eligible improvements.

1. Name/Company and Phone Number of Preferred Contractor:
Trock Roofing and Contracting, 108 E Houston, Ste 200, Sherman TX 75090, 903-271-3104

Amount: \$172,768.00

2. Name/Company and Phone Number of Second Contractor:
d2 Built, 1200 N. East St, Sherman TX 75090, 940-289-0200

Amount: \$198,000.00

3. Additional Estimates/Comments: (Please attach additional quotes, as required)

4. Total estimated costs of your improvements: \$172,768.00

5. Estimated completion date for your improvements? As soon as possible

VI. Agreement of Applicant and Property Owner

I/We, _____, of the City of Sherman, County of Grayson, State of Texas, declare under penalty of perjury that the information contained in this application is true and correct and that the information contained in the documents that accompany this application is true, correct, and complete. I/We certify and warrant that the proposed work described in this Application meets the eligibility requirements of the City of Sherman Downtown Building Improvement Grant Program. In exchange for the City of Sherman's consideration of this application, I/We hereby agree to the following:

I/We hereby authorize City of Sherman employees and agents to perform inspections of my/our property if granted funds under the City of Sherman Downtown Building Improvement Grant Program, both before and during the work for which funds are granted under this Program and after completion of the work to ensure compliance with the terms and conditions of the Program and all other applicable ordinances and other laws.

I/We acknowledge that any work carried out prior to written confirmation of grant approval may not be eligible for reimbursement.

I/We acknowledge receiving, understanding, and accepting the terms and conditions of the City of Sherman Downtown Building Improvement Grant Program, and agree to fully comply with the same along with all other applicable ordinances and other laws, all of which are incorporated herein by reference, if granted funds under the Program. I agree that the City of Sherman is entitled to the immediate return or reimbursement of any and all funds paid to the Applicant or other persons under the Program, plus interest and collection costs, in the event the Applicant fails to complete the work for which the grant was approved or otherwise fails to comply with all applicable Program guidelines and requirements, ordinances and other laws. I/We Applicants further acknowledge and agree that, if funds provided by the City to the Applicant under the Program are determined at any time not to comply with applicable state laws relating to the authorized uses of such funds, all funds paid to the Applicant or other persons under the Program shall be immediately returned or reimbursed to the City.

Chapter 2264 Certification: Pursuant to Chapter 2264 of the Texas Local Government Code, I/We hereby certifies that the Applicant's business, or a branch, division, or department of the Applicant's business, does not and will not knowingly employ an undocumented worker. An undocumented worker means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under the law to be employed in that manner in the United States. If after receiving this grant from the City of Sherman, Applicant, or a branch, division, or department of Applicant's business, is convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the grant with interest, at the rate and according to the terms provided by this Agreement under Section 2264.053 of the Texas Local Government Code, not later than the 120th day after the date the Applicant is notified of the violation. I/We agree that this document serves as an agreement under Chapter 380 of the Texas Local Government Code.

I/We agree to indemnify, release, defend and hold harmless the City of Sherman and its officers, employees and agents, from and against all claims, losses, liabilities, damages, suits, actions, or proceedings asserted or brought by any person, including Applicant and the property owner and their respective officers, employees, agents, contractors, and subcontractors, arising out of personal injury, death or property damage from any cause whatsoever in whole or in part arising out of this Agreement or the activities completed hereunder.

Applicant or Authorized Agent of Applicant

**Property Owner (if different from Applicant)
or Authorized Agent of Property Owner**

VII. Consent of the Owner to the Use and Disclosure of Information

I/We, _____, am the owner of the land that is the subject of this Application, and I/we authorize and consent to the use by or the disclosure to any person or public body, including the City of Sherman, of any personal or other information that is collected for the purposes of processing this application and administering the grant program. *(Note: Information provided in this application will become a public record, subject to disclosure under the Texas Public Information Act and/or Texas Open Meetings Act.)*

Date

Signature of Owner(s)



City Council Regular Meeting

Agenda Item No. G.11.

Meeting Date: 3/3/2025

Prepared By: Nate Strauch, Community and Support Services Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** RESOLUTION NO. 7493**

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 208 S Travis Street

Issue:

Authorizing Execution of an Agreement with Knight Furniture Co Inc Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 208 S Travis Street

Background:

The Downtown Building Improvement Grant is designed to stimulate substantial, visible, and permanent improvements to historically significant buildings and to spur interest in vacant and underutilized buildings of historical value in the downtown TIRZ. Grants under the program are awarded at the City Council's sole discretion.

This application is for improvements (new roof) to the structure built before 1900, currently addressed as 208 S Travis Street. The qualified costs for renovation work are approximately \$124,800.

Origination:

Joey Gunn

Financial Consideration:

This project qualifies for matching grant in the amount of \$31,200.

Staff Recommendation:

Recommend approval

Alternatives:

As directed

Attachments:

1. Resolution No. 7493
2. Application Packet

RESOLUTION NO. 7493

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH KNIGHT FURNITURE CO INC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 208 S. TRAVIS STREET; 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 an agreement with Knight Furniture Co Inc for improvements to 208 S. Travis Street under the City of Sherman's Downtown Building Improvement Grant Program, 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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

**BY: _____
SHAWN TEAMANN, MAYOR**

ATTEST:

**BY: _____
LINDA ASHBY, CITY CLERK**

**APPROVED AS TO FORM AND
CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C**

**BY: _____
RYAN D. PITTMAN, CITY ATTORNEY**

Downtown Building Improvement Grant Application and Agreement

The information requested below will be used to process your application under the terms and conditions of the City of Sherman's Downtown Building Improvement Grant. All grant applications must include pictures of the current building, designs or renderings of the finished product, and historical pictures, if available.

I. Applicant Information

1. Applicant(s) name: KNIGHT FURNITURE CO INC
Mailing address: 208 S. Travis
City: Sherman State: TX Zip: 75090
2. Applicant's daytime telephone number: 903-893-9484
E-mail address: joey@knightfurniture.com
3. Status of applicant (please check one)
☐ Property owner with vacant facility
☐ Property owner with tenant business
☒ Property owner/operator of existing business on property
☐ Property tenant with property owner consent
☐ Property deed, lease, or other document evidencing applicant's status
5. Length of ownership/ lease: 100+ years
Date purchased/ leased: n/a

II. Property Information

1. Address of property to be improved: 208 S Travis, Sherman TX 75090
2. Legal description of subject property:
OTP SHERMAN, BLOCK 7, LOT PT 5 & 6, 25 X 75 1875 SF, ACRES .043
3. Grayson County Tax Assessor Parcel Number(s):
163626
4. Year built: late 1800's Square footage: 1,875.00
(Eligible buildings must be at least 50 years of age.)
6. What are the current types of businesses or other uses occupying the building?
Furniture and mattress retail
7. Name and phone number of tenant(s), if applicable: Knight Furniture and Mattress
(Attach additional names/numbers, if needed)

8. Use of building after construction: Furniture and mattress retail
9. Number of parking spaces provided: n/a Proposed: n/a Total: n/a
10. Current zoning: commercial
11. Is a zoning amendment required? Yes ___ No X

III. Project Description

1. Description of Proposed Improvements. Please provide a detailed description of your proposed improvements. Attach a copy of your architectural or design plans.

Description: We are replacing the roof and bringing it to current building code standards. This will help ensure longevity of the building by reducing deterioration of the walls and structure.

☐ **Designs Attached**

☐ **“Before” Picture(s) Attached**

2. How many jobs will be **retained** once the project is completed?

13 Full-time positions

2 Part-time positions

3. How many **new positions** will result from this project?

n/a Full-time positions

n/a Part-time positions

IV. Work Estimates

Please attach a minimum of two (2) independent contractor estimates for the proposed improvements. Please note that grant funding shall be based on the lowest bid. Eligible costs shall be the cost of materials, equipment, and contracted labor to complete eligible improvements.

1. Name/Company and Phone Number of Preferred Contractor:
Trock Roofing and Contracting, 108 E Houston, Ste 200, Sherman TX 75090, 903-271-3104

Amount: \$124,800.00

2. Name/Company and Phone Number of Second Contractor:
d2 Built, 1200 N. East St, Sherman TX 75090, 940-289-0200

Amount: \$198,000.00

3. Additional Estimates/Comments: (Please attach additional quotes, as required)

4. Total estimated costs of your improvements: \$124,800.00

5. Estimated completion date for your improvements? As soon as possible

VI. Agreement of Applicant and Property Owner

I/We, _____, of the City of Sherman, County of Grayson, State of Texas, declare under penalty of perjury that the information contained in this application is true and correct and that the information contained in the documents that accompany this application is true, correct, and complete. I/We certify and warrant that the proposed work described in this Application meets the eligibility requirements of the City of Sherman Downtown Building Improvement Grant Program. In exchange for the City of Sherman's consideration of this application, I/We hereby agree to the following:

I/We hereby authorize City of Sherman employees and agents to perform inspections of my/our property if granted funds under the City of Sherman Downtown Building Improvement Grant Program, both before and during the work for which funds are granted under this Program and after completion of the work to ensure compliance with the terms and conditions of the Program and all other applicable ordinances and other laws.

I/We acknowledge that any work carried out prior to written confirmation of grant approval may not be eligible for reimbursement.

I/We acknowledge receiving, understanding, and accepting the terms and conditions of the City of Sherman Downtown Building Improvement Grant Program, and agree to fully comply with the same along with all other applicable ordinances and other laws, all of which are incorporated herein by reference, if granted funds under the Program. I agree that the City of Sherman is entitled to the immediate return or reimbursement of any and all funds paid to the Applicant or other persons under the Program, plus interest and collection costs, in the event the Applicant fails to complete the work for which the grant was approved or otherwise fails to comply with all applicable Program guidelines and requirements, ordinances and other laws. I/We Applicants further acknowledge and agree that, if funds provided by the City to the Applicant under the Program are determined at any time not to comply with applicable state laws relating to the authorized uses of such funds, all funds paid to the Applicant or other persons under the Program shall be immediately returned or reimbursed to the City.

Chapter 2264 Certification: Pursuant to Chapter 2264 of the Texas Local Government Code, I/We hereby certifies that the Applicant's business, or a branch, division, or department of the Applicant's business, does not and will not knowingly employ an undocumented worker. An undocumented worker means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under the law to be employed in that manner in the United States. If after receiving this grant from the City of Sherman, Applicant, or a branch, division, or department of Applicant's business, is convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the grant with interest, at the rate and according to the terms provided by this Agreement under Section 2264.053 of the Texas Local Government Code, not later than the 120th day after the date the Applicant is notified of the violation. I/We agree that this document serves as an agreement under Chapter 380 of the Texas Local Government Code.

I/We agree to indemnify, release, defend and hold harmless the City of Sherman and its officers, employees and agents, from and against all claims, losses, liabilities, damages, suits, actions, or proceedings asserted or brought by any person, including Applicant and the property owner and their respective officers, employees, agents, contractors, and subcontractors, arising out of personal injury, death or property damage from any cause whatsoever in whole or in part arising out of this Agreement or the activities completed hereunder.

Applicant or Authorized Agent of Applicant

**Property Owner (if different from Applicant)
or Authorized Agent of Property Owner**

VII. Consent of the Owner to the Use and Disclosure of Information

I/We, _____, am the owner of the land that is the subject of this Application, and I/we authorize and consent to the use by or the disclosure to any person or public body, including the City of Sherman, of any personal or other information that is collected for the purposes of processing this application and administering the grant program. *(Note: Information provided in this application will become a public record, subject to disclosure under the Texas Public Information Act and/or Texas Open Meetings Act.)*

Date

Signature of Owner(s)



City Council Regular Meeting

Agenda Item No. G.12.

Meeting Date: 3/3/2025

Prepared By: Nate Strauch, Community and Support Services Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** RESOLUTION NO. 7494**

Authorizing Execution of an Agreement with RP Sherman Properties II, LLC Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 219-221 W Houston Street

Issue:

Authorizing Execution of an Agreement with RP Sherman Properties II, LLC Under the City of Sherman's Downtown Building Improvement Grant Program for Renovations at 219-221 W Houston Street

Background:

The Downtown Building Improvement Grant is designed to stimulate substantial, visible, and permanent improvements to historically significant buildings and to spur interest in vacant and underutilized buildings of historical value in the downtown TIRZ. Grants under the program are awarded at the City Council's sole discretion, in the maximum amount of \$300,000 per project.

This application is for improvements to the structure built in approximately 1900, currently addressed as 219-221 W Houston Street, and known locally as the Kreager Building. The qualified costs for renovation work are approximately \$1.4 million.

Origination:

David Downtain

Financial Consideration:

As this project has already received \$100,000 in DBIG grants, it is eligible for another \$200,000 under the new terms of the program.

Staff Recommendation:

Recommend approval

Alternatives:

As directed

Attachments:

1. Resolution No. 7494
2. Application Packet

RESOLUTION NO. 7494

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH RP SHERMAN PROPERTIES II, LLC UNDER THE CITY OF SHERMAN'S DOWNTOWN BUILDING IMPROVEMENT GRANT PROGRAM FOR RENOVATIONS AT 219 -221 W. HOUSTON STREET; 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 an agreement with RP Sherman Properties II, LLC for improvements to 219-221 w. Houston Street under the City of Sherman's Downtown Building Improvement Grant Program, 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.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS on this the 3rd day of March 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM AND
CONTENT:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C**

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

Downtown Building Improvement Grant Application and Agreement

The information requested below will be used to process your application under the terms and conditions of the City of Sherman's Downtown Building Improvement Grant. All grant applications must include pictures of the current building, designs or renderings of the finished product, and historical pictures, if available.

I. Applicant Information

1. Applicant(s) name: RP Sherman Properties II, LLC
Mailing address: 1200 N East St
City: Sherman State: TX Zip: 75090
2. Applicant's daytime telephone number: (972) 832-8011
E-mail address: DDowntain@risenproperties.com
3. Status of applicant (please check one)
☒ Property owner with vacant facility
☐ Property owner with tenant business
☐ Property owner/operator of existing business on property
☐ Property tenant with property owner consent
☐ Property deed, lease, or other document evidencing applicant's status
5. Length of ownership/ lease: 3.5 years
Date purchased/ leased: 08/03/2021

II. Property Information

1. Address of property to be improved: 219-221 W Houston St Sherman, TX 75090
2. Legal description of subject property:
OTP SHERMAN, BLOCK 1, LOT 1, 50 X 100 5000 SF, ACRES .1722
ALLEN S B ADDN, BLOCK W, LOT E 37, 37X140 5250 SF, ACRES .1189
3. Grayson County Tax Assessor Parcel Number(s):
181829 & 161738
4. Year built: early 1900s Square footage: approx 13680
(Eligible buildings must be at least 50 years of age.)
6. What are the current types of businesses or other uses occupying the building?
This property is currently unoccupied.
7. Name and phone number of tenant(s), if applicable: N/A
(Attach additional names/numbers, if needed)
8. Use of building after construction: Upon completion, downstairs will be the new home to 903 Brewers, Sherman's #1 tourist attraction. The second floor already has a signed lease, and will be used as office space for approximately 30 full-time employees.

9. Number of parking spaces provided: N/A Proposed: _____ Total: _____
10. Current zoning: Central Business District
11. Is a zoning amendment required? Yes ___ No X

III. Project Description

1. Description of Proposed Improvements. Please provide a detailed description of your proposed improvements. Attach a copy of your architectural or design plans.

Description: This property will be fully brought up to code including but not limited to: structural improvements, fully revamped electrical, plumbing, and HVAC. Electrical rewiring will include new meter boxes, panels, circuit boxes and will be fitted with new exofans, lighting, plugs, and switches. Plumbing will be upgrades to accommodate a new grease trap as well as multiple new water heaters, sinks, valves, and hydrants. The exterior storefront will feature new doors and windows. The interior will be framed to accommodate the tenants and will include new flooring, drywall, doors & trim carpentry, paint, and masonry work. The remodeled space will feature new ADA-compliant restroom facilities as well as a commercial kitchen.

☒ **Designs Attached**

☒ **"Before" Picture(s) Attached**

2. How many jobs will be **retained** once the project is completed?
- 60 Full-time positions _____ Part-time positions
3. How many **new positions** will result from this project?
- 20 Full-time positions _____ Part-time positions

IV. Work Estimates

Please attach a minimum of two (2) independent contractor estimates for the proposed improvements. Please note that grant funding shall be based on the lowest bid. Eligible costs shall be the cost of materials, equipment, and contracted labor to complete eligible improvements.

1. Name/Company and Phone Number of Preferred Contractor:
Joshua Downtain/ D2 Builders, LP (903) 815-4327
- Amount: \$1,413,508.80
2. Name/Company and Phone Number of Second Contractor:
Joe Tully, PintrailRestoration.com (469) 642-9910
- Amount: \$1,506,022.00
3. Additional Estimates/Comments: (Please attach additional quotes, as required)
4. Total estimated costs of your improvements: \$1.425 mil
5. Estimated completion date for your improvements? June 2025

VI. Agreement of Applicant and Property Owner

I/We, RP Sherman Properties II, LLC, of the City of Sherman, County of Grayson, State of Texas, declare under penalty of perjury that the information contained in this application is true and correct and that the information contained in the documents that accompany this application is true, correct, and complete. I/We certify and warrant that the proposed work described in this Application meets the eligibility requirements of the City of Sherman Downtown Building Improvement Grant Program. In exchange for the City of Sherman's consideration of this application, I/We hereby agree to the following:

I/We hereby authorize City of Sherman employees and agents to perform inspections of my/our property if granted funds under the City of Sherman Downtown Building Improvement Grant Program, both before and during the work for which funds are granted under this Program and after completion of the work to ensure compliance with the terms and conditions of the Program and all other applicable ordinances and other laws.

I/We acknowledge that any work carried out prior to written confirmation of grant approval may not be eligible for reimbursement.

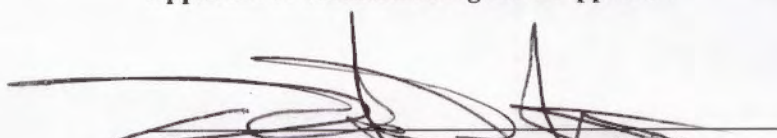
I/We acknowledge receiving, understanding, and accepting the terms and conditions of the City of Sherman Downtown Building Improvement Grant Program, and agree to fully comply with the same along with all other applicable ordinances and other laws, all of which are incorporated herein by reference, if granted funds under the Program. I agree that the City of Sherman is entitled to the immediate return or reimbursement of any and all funds paid to the Applicant or other persons under the Program, plus interest and collection costs, in the event the Applicant fails to complete the work for which the grant was approved or otherwise fails to comply with all applicable Program guidelines and requirements, ordinances and other laws. I/We Applicants further acknowledge and agree that, if funds provided by the City to the Applicant under the Program are determined at any time not to comply with applicable state laws relating to the authorized uses of such funds, all funds paid to the Applicant or other persons under the Program shall be immediately returned or reimbursed to the City.

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I/WE AGREE TO INDEMNIFY, RELEASE, DEFEND AND HOLD HARMLESS THE CITY OF SHERMAN AND ITS OFFICERS, EMPLOYEES AND AGENTS, FROM AND AGAINST ALL CLAIMS, LOSSES, LIABILITIES, DAMAGES, SUITS, ACTIONS, OR PROCEEDINGS ASSERTED OR BROUGHT BY ANY PERSON, INCLUDING APPLICANT AND THE PROPERTY OWNER AND THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENTS, CONTRACTORS, AND SUBCONTRACTORS, ARISING OUT OF PERSONAL INJURY, DEATH OR PROPERTY DAMAGE FROM ANY CAUSE WHATSOEVER IN WHOLE OR IN PART ARISING OUT OF THIS AGREEMENT OR THE ACTIVITIES COMPLETED HEREUNDER.



Applicant or Authorized Agent of Applicant



Property Owner (if different from Applicant)

or Authorized Agent of Property Owner

VII. Consent of the Owner to the Use and Disclosure of Information

I/We, RP Sherman Properties II, LLC, am the owner of the land that is the subject of this Application, and I/we authorize and consent to the use by or the disclosure to any person or public body, including the City of Sherman, of any personal or other information that is collected for the purposes of processing this application and administering the grant program. (*Note: Information provided in this application will become a public record, subject to disclosure under the Texas Public Information Act and/or Texas Open Meetings Act.*)

Date

2/12/25

Signature of Owner(s)





RP SHERMAN PROPERTIES LLC / CITY OF SHERMAN

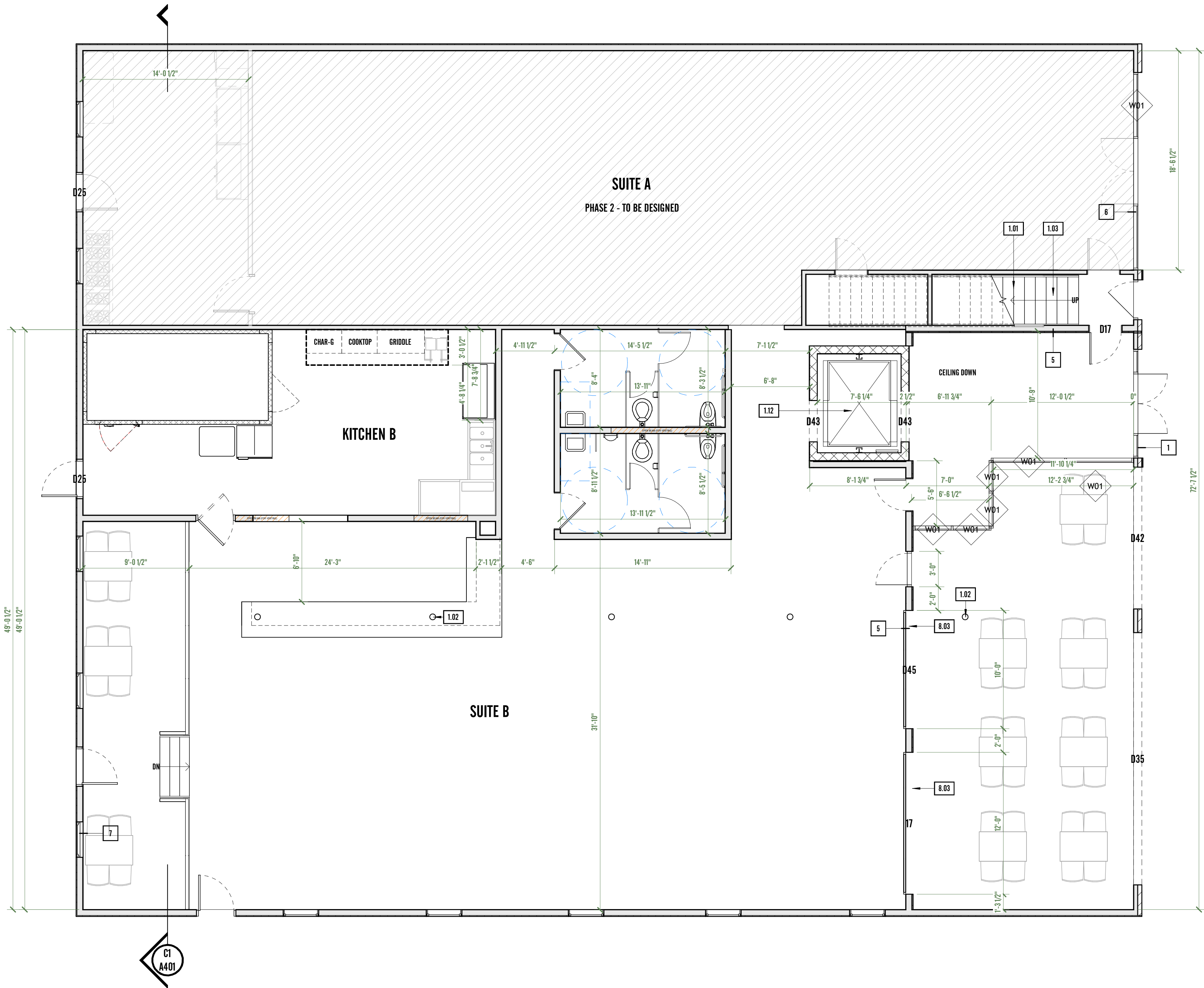
internal KREAGER Budget

DETAILS			ESTIMATING	
	Name	Description	Quantity	Extended Price
1	Pre-Construction			\$8,160.00
2	Design		1	\$3,360.00
3	Permits		0	
4	Engineering		1	\$4,800.00
5	Demolition			\$27,600.00
6	Demo materials		1	\$6,000.00
7	Demo labor		1	\$18,000.00
8	Dumpster / waste removal		3	\$3,600.00
9	Materials		1	\$113,340.00
10	Lumber package	soffits, punch framing, features, furr strips	1	\$12,000.00
11	Plumbing fixtures		23	\$13,800.00
12	Electrical fixtures		80	\$24,000.00
13	Interior Doors	downtairs and remaining upstairs	8	\$3,840.00
14	Windows			
15	Trimwork		1	\$18,000.00
16	Paint & Stain		250	\$19,500.00
17	Tile Materials		3	\$5,400.00
18	New Exterior Doors		3	\$10,800.00
19	Fuel		1	\$6,000.00
20	Trades			\$946,462.86
21	feature wall carpentry		3	\$7,200.00
22	Carpentry/Framing		60	\$32,400.00
23	Plumbing		24	\$100,800.00

24	Grease trap		1	\$48,000.00
25	Electrical		14,000	\$252,000.00
26	HVAC		1	\$180,000.00
27	Flooring	(bathrooms, sealer downstairs, final screen upstairs)	1	\$14,400.00
28	Drywall		1	\$30,000.00
29	Countertops		6	\$4,320.00
30	General Hourly Labor	General Hourly Construction Labor	3,000	\$144,000.00
31	FRP		1	\$7,200.00
32	Tile Labor		3	\$9,000.00
33	fire suppression			\$99,600.00
34	Brick Mason		1	\$5,400.00
35	Insulation		1	\$12,142.86
36	Cabinets			\$8,400.00
37	Cabinets	vanities/breakroom cabinets upstairs	1	\$7,800.00
38	Cabinet hardware		1	\$600.00
39	Appliances			\$61,800.00
40	Vent hood		1	\$60,000.00
41	Appliance connection parts		1	\$1,800.00
42	Finish			\$153,600.00
43	Cleaning Materials		1	\$1,800.00
44	Equipment rental	Excavator	1	\$3,000.00
45	Cleaning labor		14,000	\$4,800.00
46	Contingency budget		1	\$120,000.00
47	General Materials	non specified materials	1	\$24,000.00
				\$1,319,362.86 w/ tax \$1,413,508.80

A
B
C
D

A1 LEVEL 1 FLOOR PLAN
3/16" = 1'-0"



GENERAL NOTES - FLOOR PLAN

- A. Dimensions for the interior framed partitions are to be from the face of framing, unless noted otherwise.
- B. Dimensions take precedence over drawings. Do not scale drawings. Notify the architect of discrepancies prior to proceeding with the work.
- C. All safety glazing shall be permanently labeled with the manufacturer's name and test approval information.

KEYED NOTES

- 1.01 Wood-framed stair with 11" minimum tread depth and 7" maximum riser height; provide handrail from nosing of top stair to nosing of bottom stair as per IRC
- 1.02 24" x 24" column w/ stone base as per owner
- 1.03 Provide 5/8" type 'X' gyp. board under stairs as per IRC
- 1.12 Elevator
- 8.03 Garage Door

WALL TYPE SCHEDULE

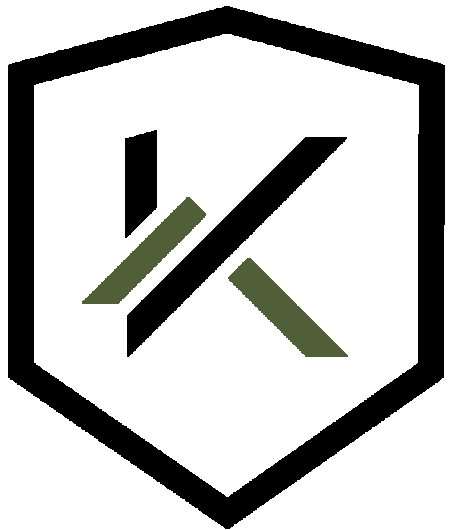
1	2 LAYER BRICK WALL
2	2X4 FRAMED WOOD WALL
3	2X6 FRAMED WOOD WALL
5	FIBER CEMENT SIDING, WEATHER BARRIER, PLYWOOD SHEATING AS PER STRUCTURAL, WOOD FRAMING AS PER STRUCTURAL, R20 CAVITY INSULATION WITH VAPOR BARRIER
6	EXTERIOR CURTAIN WALL
7	2X6 FRAMED STUCCO EXTERIOR WALL
A1	INTERIOR CURTAIN WALL

DOOR SCHEDULE

TYPE	WIDTH	HEIGHT	COMMENTS
LEVEL 1			
17	12'-0"	8'-0"	
D17	2'-8"	6'-8"	
D25	3'-0"	7'-0"	
D26	0"	0"	
D27	3'-0"	6'-8"	
D40	<varies>	6'-9"	
D41	<varies>	<varies>	
D42	0"	0"	
D43	0"	0"	
D45	10'-0"	8'-0"	
D50	3'-0"	7'-0"	
LEVEL 2			
D17	2'-8"	6'-8"	
D19	2'-6"	6'-8"	
D27	3'-0"	6'-8"	
D36	3'-6"	6'-8"	
D39	3'-0"	6'-8"	
D43	0"	0"	
D44	0"	0"	

WINDOW SCHEDULE

TYPE	WIDTH	HEIGHT	HEAD HT.	COMMENTS
W20	<varies>	6'-4"	8'-8"	
W22	3'-0"	2'-8"	8'-0"	
W24	3'-0"	7'-0"	9'-0"	
W27	6'-2"	5'-6"	8'-6"	
W31	2'-6"	5'-6"	<varies>	
W32	21'-4"	2'-0"	13'-0"	



KNIGHTON
ARCHITECTURE + PLANNING

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801.820.4460 | info@knightonarchitecture.com

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**KREAGER
BUILDING**

219-221 W HOUSTON ST.
SHERMAN, TX
CITY UT 84000

CONSTRUCTION
DOCUMENTS
12.14.2023

LEVEL 1 FLOOR PLAN

A103



3 HR
PARKING
8:00 AM
TO
5:00 PM

NORTH TEXAS
BOND SERVICES
1-800-992-0959

223









City Council Regular Meeting

Agenda Item No. H.1.

Meeting Date: 3/3/2025

Prepared By: Eric Sandberg, Quality Services Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

*** REQUEST TO ADVERTISE**

Annual Purchase of Water Meters for the City of Sherman Automated Meter Reading System

Issue:

Approval of a request to advertise for the annual purchase of water meters for the City's Automated Meter Reading System

Background:

The currently awarded contract will soon expire. The City requests bids to establish a price agreement for the purchase of water meters ranging in sizes 5/8" to 2". Water meters must be compatible with the ITRON automated reading systems, MRVS and AMI.

Origination:

Utility Field Services

Financial Consideration:

Funding for the purchase of water meters was approved in the fiscal year 2024-2025 budget. Advertising costs are estimated at \$200.00.

Staff Recommendation:

It is recommended that the City Council approve the advertising related to the annual purchase of water meters.

Alternatives:

As may be directed by the City Council.

Attachments:

None



City Council Regular Meeting

Agenda Item No. I.1.

Meeting Date: 3/3/2025

Prepared By: Wayne Lee, Director of Engineering

Approved By: Zachary Flores, Assistant City Manager

Caption:

***CHANGE ORDER NO. 1**

Approving the Greater Texoma Utility Authority's Intention to Execute Proposed Change Order #1 with Viking Painting, LLC

Issue:

Approving the intention of the Greater Texoma Utility Authority (GTUA) to execute proposed Change Order #1 with Viking Painting, LLC

Background:

This Change Order is required to replace items inside the Stephens Ground Storage Tank due to corrosion of the items discovered after the tank was drained, and the contractor began to prepare the take for rehabilitation. If not addressed now, these items may need to be addressed as emergency repairs in the near future.

As part of the City's CIP program, at least one tank is scheduled for rehabilitation and/or repainting each year.

During a March 22, 2024 routine inspection, the Stephens Ground Storage Tank was found to have many deficiencies in need of repair and rehabilitation. In addition, during a TCEQ on-site inspection around the same time, a leak was discovered, and temporary emergency repairs had to be made. These inspections led to the need to move this facility up in the annual tank rehabilitation program.

The original improvements included services for sandblasting and coating both the exterior and interior of the tank/piping, replacement of two pumps and motors, along with check valves and gate valves. Additional work items included the installation of a new exterior drainpipe, replacement of the ladder and access hatch if necessary, replacing the tank lighting.

On November 11, 2024, the City and GTUA awarded a contract to perform this work to Viking Painting, LLC in the \$1,499,200.00.

Following the decommissioning of the tank and making preparations for the work, additional repairs were identified. Corrosion issues were discovered on the existing rafters, and the scaffold points, and weld plates over some areas that had been removed. Change Order No. 1 consists of the removal and replacement of the rafters, the replacement of the stand-off on the wall to beam ends, and installation of flanges for the interior scaffolding.

The original budget for this rehabilitation was \$2,600,000 (not including \$400,000 ARPA). This change order is \$374,000.00 and is still within the budgeted monies for this work.

Origination:

Engineering Department

Financial Consideration:

This Change Order #1 is for an additional \$374,000.00 (24.95%) of funding which will be through the Greater Texoma Utility Authority (GTUA) 2024 Open Market Bonds. Funding is also in part from remaining ARPA funds (Covid Relief).

Staff Recommendation:

Staff recommends approval of this change order concurrent with the GTUA.

Alternatives:

As may be directed by the City Council

Attachments:

1. Change Order No. 1
2. Location Map
3. photo (5)
4. photo (8)

Change Order

Date of Issuance: February 13, 2025

No. 1

Project: Stephens PS and GST Facility	Project No.: CoS #2024-23 & 1544-U
Owner: City of Sherman	Date of Contract: Nov 14, 2024
Contractor: Viking Painting, LLC	

The Contract Documents are modified as follows upon execution of this Change Order:

Description:

Removal and replacement rafters, replace stand-off on wall to beam ends, remobilize
Install flanges for interior scaffolding, replace interior ladder

Justification:

After taking tank out of service, it was discovered heavy corrosion on existing rafters and
Existing scaffold points were removed at some point in time and weld plates over areas.

CHANGE IN CONTRACT PRICE:

Original Contract Price:

\$1,499,200.00

[Increase] [Decrease] from previously
approved Change Orders No. 0 to No. 0:

\$0.00

Contract Price prior to this Change

\$1,499,200.00

[Increase] [~~Decrease~~] of this Change

\$374,000

Contract Price incorporating this Change

\$1,873,200

CHANGE IN CONTRACT TIMES:

Original Contract

Substantial completion days: 228

Substantial completion date: August 19, 2025

[Increase] [Decrease] from previously Change Orders
No. 0 to No. 0:

Substantial completion days: 228

Substantial completion date: August 19, 2025

Contract Times prior to this Change Order:

Substantial completion days: 228

Substantial completion date: August 19, 2025

[Increase] [~~Decrease~~] of this Change Order:

Substantial completion days: 197

Substantial completion date: March 4, 2026

Contract Times with all approved Change Orders:

Substantial completion days: 425

Substantial completion date: March 4, 2026

RECOMMENDED:

By: 

Engineer (Authorized Signature)

Date: 02/14/2025

ACCEPTED:

By: _____

Owner (Authorized Signature)

Date: _____

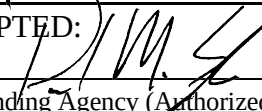
ACCEPTED:

By: 

Contractor (Authorized Signature)

Date: 02/14/2025

ACCEPTED:

By: 

Funding Agency (Authorized Signature)

Date: 2/24/2025









City Council Regular Meeting

Agenda Item No. J.1.

Meeting Date: 3/3/2025

Prepared By: Nate Strauch, Community and Support Services Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

Other Business

Receive Presentation on Potential Commercial Demolition

Issue:

Receive presentation on potential commercial demolition

Background:

The City of Sherman has moved aggressively into commercial demolitions over the last several years, typically using agreements that roughly split the cost of projects with the owners. Demolition supervisor Chip Matthews has brokered a potential agreement with the owners of Martinek Grain to remove one of the elevator structures as well as the old flour mill in exchange for repainting the remaining elevator on the property.

Origination:

Chip Matthews

Financial Consideration:

Removal of the structures would cost the city approximately \$350,000.

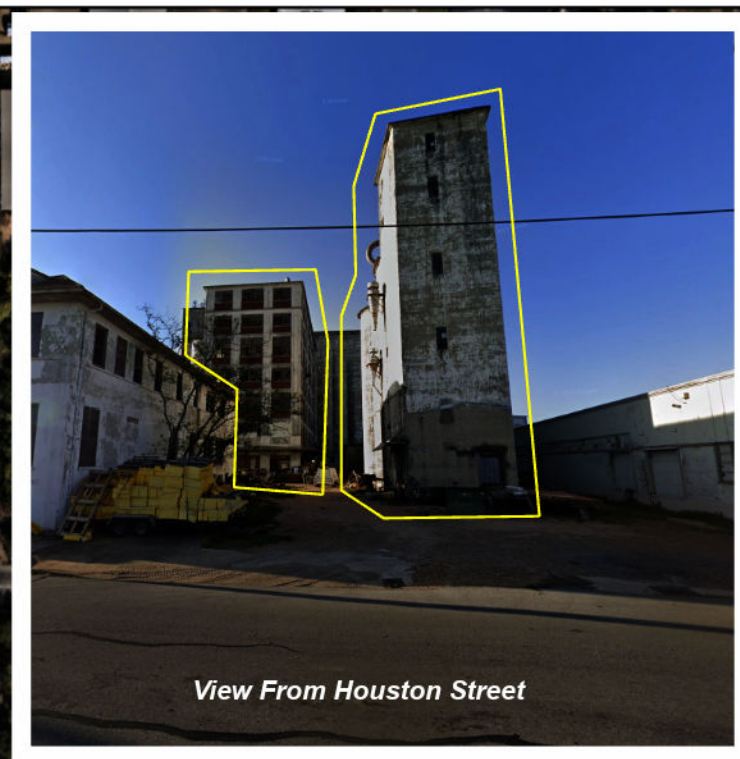
Staff Recommendation:

Seeking Council direction

Alternatives:

Attachments:

1. Location Map





City Council Regular Meeting

Agenda Item No. J.2.

Meeting Date: 3/3/2025

Prepared By: Mary Lawrence, Chief Financial Officer

Approved By: Zachary Flores, Assistant City Manager

Caption:

Other Business

Accept Annual Audit Report for the Year Ended September 30, 2024, from Weaver and Tidwell, L.L.P.

Issue:

To receive a presentation from Weaver and Tidwell, L.L.P. of Dallas, Texas and accept the audit report for the year ended September 30, 2024

Background:

On February 25, 2025, the Council Audit Committee, Acting City Manager, City Manager and Chief Financial Officer met with the City's external auditor to discuss the results of the independent audit for the year ended September 30, 2024. The auditors gave an unmodified audit opinion, meaning that, in their opinion, the financial statements are fairly presented in accordance with established accounting standards. The financial statements demonstrate the operating results for the year ended September 30, 2024, were generally in line with expected results, and the overall financial performance was on par with the budget. There were no material findings arising out of the audit. After discussion, the Council Audit Committee recommended the report be presented to the entire Council.

As part of the audit, a review of Related Party transactions is performed. In the Notes to the Financial Statement, Item K discloses three council members that had transactions with the City through their personal businesses during Fiscal Year 2024.

Origination:

Finance Department

Financial Consideration:

None

Staff Recommendation:

Staff recommends the Council accept the audit report as recommended by the Council Audit Committee.

Alternatives:

None recommended.

Attachments:

1. City of Sherman - Final
2. City of Sherman - Final SA



City of Sherman, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2024

Prepared by:
Department of Finance
Mary Lawrence, Chief Financial Officer
Jana Walker, Controller





City of Sherman, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended
September 30, 2024

Prepared by
Department of Finance
Mary Lawrence, Chief Financial Officer
Jana Walker, Controller



City of Sherman, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024
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Introductory Section





February 25, 2025

The Honorable Mayor,
Members of the City Council, and
Citizens of the City of Sherman, Texas

The Annual Comprehensive Financial Report of the City of Sherman, Texas, (the City) for the fiscal year ended September 30, 2024, is hereby submitted as mandated by the City Charter. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the financial statements in conformity with Generally Acceptable Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. Within this framework, management believes that the City's transactions are properly recorded, and the financial report is complete and reliable in all material respects.

The City of Sherman's financial statements have been audited by Weaver and Tidwell, LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. As a result of the audit, an unmodified opinion on the City's financial statements for the fiscal year ended September 30, 2024, was issued. An unmodified opinion represents the highest level of audit assurance issuable for financial statements. The independent auditor's report is located at the front of the financial section of this report.

Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

CITY OF SHERMAN PROFILE

The City of Sherman was founded in 1846 and is located in North Central Texas, 65 miles north of the Dallas/Fort Worth Metroplex. Sherman was named in honor of General Sidney Sherman, a Texas revolutionist, famous for creating the Texas Independence Slogan, "Remember the Alamo." The City's geographic corporate boundaries encompass 48.2 square miles. The additional municipal extraterritorial jurisdiction included for the purpose of planning and control, covers approximately 73.03 square miles. Sherman is the county seat of Grayson County. The 2020 Census reported a population of 43,645 individuals in Sherman, a 13.3% increase over 2010. Substantial, steady growth trends are expected to continue. The City of Sherman is included within the Sherman/Denison Standard Metropolitan Statistical Area and is defined as a regional trade zone by the Bureau of Economic Analysis.

Sherman operates as a home-rule city in a Council/Manager form of government. A home-rule city may do anything authorized by its charter that is not specifically prohibited or preempted by the Texas Constitution or state or federal law. Policy making and legislative authority are vested in the City Council, which consists of five Council members, a Deputy Mayor and Mayor. The City Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and Municipal Judge. The City Manager is the chief administrative officer. The Mayor and two Council seats have no geographic restriction other than the candidates must reside in the City of Sherman. The four remaining Council seats represent specific districts and candidates must reside in those districts. However, voting for all Council seats is at-large and non-partisan. All City officials are elected to staggered three-year terms and are eligible to serve for a maximum of four consecutive terms in any combination of offices. Presiding over all meetings of the City Council, the Mayor is recognized as the head of the City government.

The City provides a full range of services. These include police and fire protection, ambulance service, sanitation service, environmental health, animal shelter and control services, community development, building inspections, traffic control, parks, a library, water and sewer services, drainage, streets, a municipal airport, recreational activities, tourism services and programs for youth and senior citizens.

Sherman Economic Development Corporation (SEDCO) is a discretely presented component unit. SEDCO was established in 1996 for purposes set forth in Section 4A, Article 5190.6, Vernon's Texas Civil Statutes, known as the Development Corporation Act of 1979. SEDCO administers a special 3/8-cent sales tax for economic development. Even though SEDCO is a legally separate entity, the City appoints all SEDCO board members, can remove board members at will, must approve SEDCO's budget and plan of work, and financially benefits the City by promoting, assisting, and enhancing economic development in the City.

The City Charter mandates that a proposed budget be presented to the City Council fifty days prior to the end of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. Direction for the budget is given by the City Council five months before year end. A proposed budget is developed by staff and submitted to the City Council in June each year for review. The City Council is required to hold a public hearing and to adopt a final budget no later than September 25th. The City Manager may move part or all of any unencumbered appropriation balance among the various departments within each fund, provided that total expenditures do not exceed total appropriations for that fund. In the case where additional expenditures are required within a fund, the City Council, by resolution, may increase that fund's appropriations. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The City's major thoroughfares, US Highways 75 and 82, intersect in Sherman, providing access to major metropolitan areas in the southwest. Sherman is the largest city within the tri-county area and a primary hub for business, retail, government and professional services in the region. The BNSF industrial rail spur serves the industrial park, while private air service is available at the North Texas Regional Airport - with its 9,000-foot runway - and the Sherman Municipal Airport. Sherman's convenient location, excellent transportation options and abundant water supply have attracted numerous manufacturers to establish plants in the city. The City's robust industrial base includes manufacturing facilities of major national firms that produce electronic components, food products, PVC materials, lumber, railroad components, precision valves, electricity, and more. SEDCO has played a crucial role in attracting new employers and supporting the expansion of existing businesses.

A major milestone for economic growth was announced in November 2021 when Texas Instruments (TI) selected its current site in Sherman for a 4.7 million square-foot semiconductor fabrication plant. This state-of-the-art facility will manufacture 300mm wafers for use in consumer electronics and other applications. The plant, which is beginning to ramp up production and is expected to distribute its wafers to customers by the end of 2025, will employ more than 3,000 high paying positions and contribute billions of dollars to the Grayson County economy. TI plans to complete the project in four phases, with an investment totaling over \$29.4 billion. Once fully operational, the facility will be the largest electronics production plant in Texas.

Another significant economic development project was announced in June 2022 when Globitech Incorporated (Globitech) selected Sherman as the site for a new manufacturing facility, called GlobalWafers America, to produce silicon wafers for use in consumer electronics and other applications. Once completed, this facility will generate 1,500 new jobs and billions of dollars in capital investment.

Beyond the direct benefits of property and sales tax revenue, water and sewer revenue, and hotel/motel revenue during construction, and the addition of high-paying jobs, the City anticipates substantial indirect benefits. These include the "spillover" effect of complementary job creation, enhanced collaboration with other existing high-tech employers in the area, and the potential for Sherman to emerge as a globally recognized "tech-corridor".

To support these developments, the City has entered into tax abatement agreements and Chapter 380 economic incentive agreements with TI and GlobalWafers America for each scheduled phase. However, a primary focus for fiscal year 2025 is preparing for the significant increase in water and wastewater infrastructure needs. Sherman is addressing the demands of a growing city – alongside the TI and GlobalWafers America projects – through substantial investments in water and wastewater infrastructure improvements and expansion projects over the next five years.

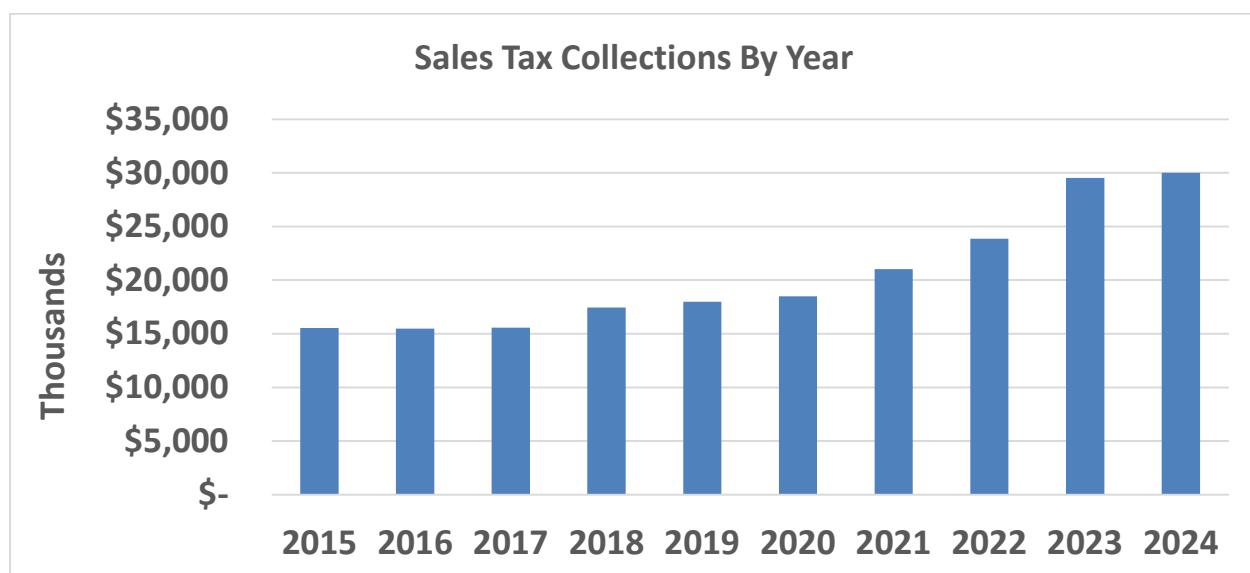
In anticipation of Sherman's future growth, there are currently nine active planned developments:

- **Bel-Air Village** This area consists of 280 acres east of US Highway 75 and south of FM 1417 (Vietnam Veterans Parkway)– Almost 300 building permits have been issued for Phase #1 representing over 80% of the total building permits expected for Phase #1. Phase #2 is expected to issue 561 permits within the next few years. Other plans include include 3,000 multi-family units, another 1,000 single family homes and 4.5 acres of commercial/retail space.
- **Heritage Ranch** – This development consists of 420 acres along US Highway 82 between FM 1417 and Travis Street with 138 acres zoned for residential, 15 acres zoned for commercial activities and 112 acres zoned for entertainment. The residential portion is already partly developed with single family homes.

- **Shepherd's Place** – Plans for this development include 503 acres located at the southwest corner of Shepherd Drive and US Highway 75. This development includes 1,820 multi-family units, 1,359 single family units and 113 acres of mixed commercial/retail space.
- **The Village** – This area comprises 620 acres south of FM 1417 between Moore Street, West Travis and West OB Groner Road and plans for 1,500 multi-family units, 1,500 single family homes and a mix of commercial, office and retail space.
- **Hickory Hill** – Plans for this development include 143.7 acres located in the northwest quadrant of the City at the intersection of Lamberth Rd and Friendship Rd, between Heritage Pkwy and Preston Rd, just south of Hwy 82. The development will feature single- and multi-family residential, mixed use and open space.
- **Blalock Industrial Park** – 1,495 acres located in the southern gateway of the City of Sherman, the purpose of this planned development is to achieve a quality, cohesive and compatible industrial and manufacturing district to a climate and location for the orderly development of light industry.
- **Pecan Grove Estates** – A mixed-use development consisting of approximately 254 acres. The property is located between US Highway 75 and Texoma Parkway and south of Fallon Drive. The primary land use will be a variety of residential uses, including multiple variations of single family detached units and two distinctive multi-family options.
- **Aspen Park** – Plans include a 216.2-acre multi-use development with a minimum of 40 acres set aside as usable open space. The land is divided into four complementary districts, including single family urban, single family urban attached, vertical mixed-use and retail business.
- **Greenway** – located on 220.18 acres in the southwester quadrant of metro Sherman, plans include a broad mix of land uses including residential, mixed use, multi-family, commercial and open space with existing trees and natural environment as an amenity for the community.

TXDOT has substantially completed the first phase of the expansion of US Highway 75 from FM 1417 to Texoma Parkway, is continuing the expansion of US Highway 75 from S Loy Lake to N Loy Lake. TXDOT is also beginning a new phase of the expansion of US Highway 75 from Texoma Parkway to US Highway 82 with an estimated completion of fall 2027.

Sherman enjoys a diverse tax base due to its industrial park and major retail shopping centers with revenues increasing year over year for about the past ten years. By far, retailers are the biggest generators of sales tax at about 45% of sales tax revenue in fiscal year 2024. Approximately half of the retail sales tax comes from non-Sherman residents. The next largest generator of sales tax is manufacturing at 15%.



The City also experienced growth in the property tax base by about 18% from new property added to the tax roll and an increase in the values of existing properties. About half of Sherman's taxable value is from commercial/industrial property. The City expects to see continued growth in both sales and property taxes.

Unemployment in Sherman was 3.7% at the end of the fiscal year, which is slightly lower than the unemployment rate for the State of Texas (4.1%) and the national unemployment rate (4.1%) for the same time period.

Due to the City's sound financial policies and growing economy, the City has a credit rating of AA from Standard and Poor's and A for its debt issued through the Greater Texoma Utility Authority. The City also has an abundant supply of water for industrial, commercial and residential use through a combination system of ground wells and surface water from Lake Texoma. Educational opportunities are available at Austin College, Grayson College, and Sherman ISD. Nearby Lake Texoma is also a recreational draw to the area. Sherman's downtown area continues to see a renewed interest for restaurants and retail stores.

LONG-TERM FINANCIAL PLANNING

The City is focused on managing its growth in strategic directions with a long-term vision. Equally important items include maintaining sustainable levels of existing services through funding for staffing and performing sufficient repairs and maintenance for existing infrastructure. Now more than ever, multi-year planning for capital projects is imperative with properly timed infrastructure development. The City Council adopted the 2022 Comprehensive Plan as well as the Trails Master Plan in October 2022. The Comprehensive Plan provides a roadmap that will guide future growth and development for the next 10 years and beyond and includes goals focused on housing and neighborhoods, land use and design, mobility, and livability. The Trails Master Plan envisions a trail system that will allow residents to connect to local destinations, enjoy the outdoors, and enhance their health and well-being. As major changes in the local economy or other unforeseen events occur, plans are subject to change. Therefore, these plans are meant to be a planning tool and do not commit the City Council to action in future years. The 2022 Comprehensive Plan is available on the City's website.

The City's Charter requires submission of a five-year capital improvement program to the City Council in conjunction with the submission of the annual budget. This plan is used to identify needed capital projects and to coordinate the financing and timing of those projects. Only the first year of the five-year program is funded. The next four years are considered planning years and are subject to appropriation in the following years. The fiscal year 2025 budget includes \$48.7 million in the General Improvement Fund primarily for street projects. The Utility Improvement Fund includes projects totaling \$84.4 million for the design and construction of an industrial wastewater treatment plant, engineering for new utility lines and repair of existing utility lines, wastewater treatment plant expansion and other smaller utility projects. Major utility improvements are funded through debt issued by the Greater Texoma Utility Authority on behalf of and paid by the City through contractual debt payments. The Capital Improvement Plan is available on the City's website.

MAJOR INITIATIVES

The City's primary focus in 2024 was a continued emphasis on infrastructure development related to residential and commercial growth. In 2024, the City continued the construction of Moore Street, Shepherd Rd, Bel Air Boulevard, and London Lane. Ongoing water and wastewater infrastructure projects included the industrial wastewater treatment plant among various others. The City also completed improvements to several parks, including the asphalt pump track at Binkley Park, trail lighting and restroom at Pecan Grove East and trail, shading and athletic field lights at Pecan Grove West.

The City has been proactive in enhancing transparency and community engagement. As a testament to this commitment, the City has created an online tracking system that will provide updated information on the status and cost of dozens of capital improvement projects currently underway throughout the city. The tool was also expanded to include basic information on proposed and underway residential developments. The tracking system can be accessed on the City's website and provides residents with up-to-date information on ongoing and planned initiatives.

The City supports growth by building infrastructure and incentivizing the right kind of growth as those opportunities arise. Tax abatements, Chapter 380 Agreements, and SEDCO are all part of attracting builders, retailers and industries to Sherman.

RELEVANT FINANCIAL POLICIES

As part of the budget process, the financial policy of the City is used to support the mission of the City to provide high quality municipal services that meet the citizens' needs in a responsible, efficient and effective manner. Included in the policy is direction on the budget, internal controls, reserves, debt, deposits, and maintenance of equipment and infrastructure. The implementation of these policies in the budget process is part of the published budget document.

The City's financial policy authorizes only the City Council, by resolution, to increase appropriations. One amendment was approved by the City Council in fiscal year 2024, increasing revenues by \$2.9 million and expenditures by \$10.6 million. The additional revenues included interfund transfers of about \$2.5 million in addition to revenue realized in some of the minor funds. The additional expenses included \$2.6 million for well repairs, about \$2 million in transfers, \$900 thousand for demolition work, and expenses related to solid waste (disposal fees and truck repairs). The size of the budget amendment reflected the rate of growth and change the City experienced during fiscal year 2024 as well as increased costs due to economic factors.

The City has also adopted policies on long-term debt, investments, and fund balance. The long-term debt policy calls for specific limitations on amount of debt that may be issued by year and in total. It also requires the City to benchmark its total debt with other cities.

The City's investment policy is adopted annually by the City Council. The Public Funds Investment Act governs the policy, but the City is more restrictive than what is allowed under the Act. The \$97 million portfolio is managed by the Chief Financial Officer who reports quarterly to the City Council. More information on the investments may be found in the notes to the financial statements.

The City's fund balance policy sets the minimum funds balance at 60 days for the General Fund, Utility Fund and the Solid Waste Fund, on a budgetary basis. The fund balance for each of these funds is above the minimum set forth in the policy.

FUTURE ECONOMIC OUTLOOK

The selection of Sherman as the home for two semiconductor manufacturing plants by Texas Instruments and GlobalWafers America has been—and will continue to be—a transformative development for the City. Sales tax revenues from the City's core industries, such as retail and manufacturing, are expected to grow at a steady, moderate pace. Meanwhile, sales tax revenues from one-time industrial construction are projected to taper off. The City also anticipates an increasing number of commercial and residential permit issuances.

To accommodate the expected growth, nine planned development projects in Sherman will address the rising demand for housing, commercial and retail spaces, entertainment, and industrial facilities. Looking ahead, the City foresees a steadily expanding tax base driven by ancillary businesses related to the TI and GlobalWafers America projects, as well as new industries, businesses, and residents who recognize Sherman as an attractive place to work and live.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sherman for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This was the thirty-eighth consecutive year that the City of Sherman earned this prestigious award. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

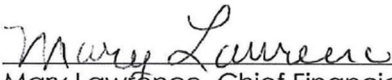
A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report on a timely basis requires a great deal of cooperation. In recognition of that, the Finance Department gratefully acknowledges the leadership and support of the City Council and City Manager. Furthermore, for their cooperation, the other departments within the City of Sherman have the Finance Department's appreciation. Also, the efforts of our external audit firm are invaluable.

Respectfully submitted,



Robby Hefton, City Manager

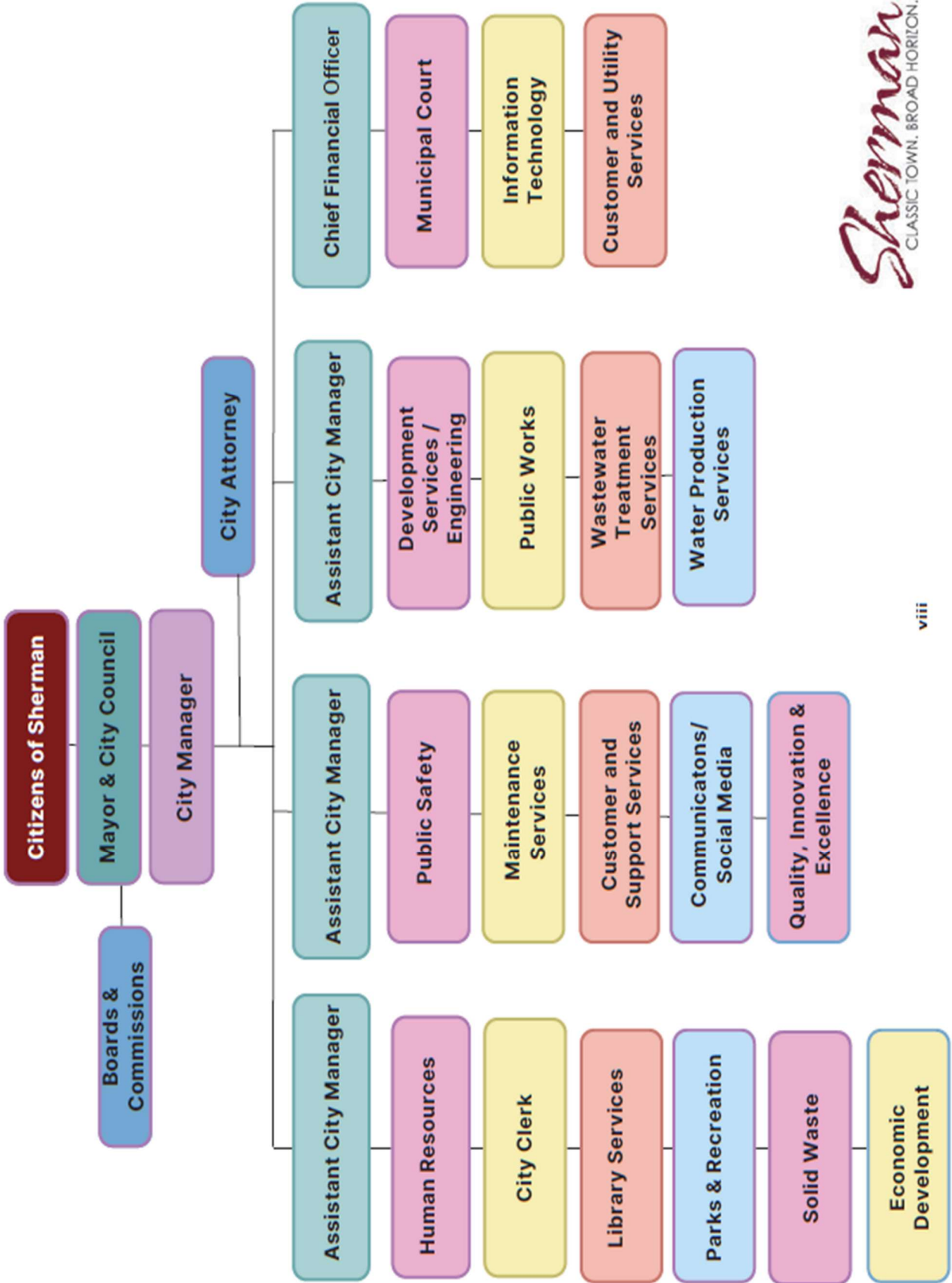


Mary Lawrence, Chief Financial Officer

CITY OF SHERMAN, TEXAS

ORGANIZATION CHART

CITY OF SHERMAN ORGANIZATIONAL CHART



CITY OFFICIALS AS OF SEPTEMBER 30, 2024

Elected Officials

Mayor	David Plyler
Deputy Mayor	Shawn C. Teamann
Councilmember, At-Large, Place #1	Henry Marroquin
Councilmember, At-Large, Place #2	Juston Dobbs
Councilmember, District #2	Josh Stevenson
Councilmember, District #3	Pamela L. Howeth
Councilmember, District #4	Daron Holland

Appointed Officials

City Manager	Robby Hefton
City Attorney	The Law Firm of Abernathy, Roeder, Boyd & Hullett, P.C.

Department Directors

Assistant City Manager	Clint Philpott, P.E.
Assistant City Manager	Terrence R. Steele
Assistant City Manager	Zachary Flores
Chief Financial Officer	Mary Lawrence, C.P.A.
Director of Development Services	Rob Rae, A.I.C.P.
Director of Engineering	Wayne Lee, P.E.
Director of Human Resources	Leah Roberts
Fire Chief	Billy Hartsfield
Police Chief	Jason Jeffcoat

Location Map





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Sherman
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO



Financial Section



Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Sherman, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sherman, Texas (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable Mayor and Members of City Council
City of Sherman, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 25, 2025



Management's Discussion and Analysis



Management's Discussion and Analysis

As management of the City of Sherman, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. The information presented here should be considered in conjunction with the letter of transmittal at the front of this report and the financial statements which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the City of Sherman exceeded its liabilities and inflows of resources at the close of the most recent fiscal year by \$113 million (net position). Of this amount, \$85.2 million represents net investment in capital assets, \$9.3 million is restricted for specific uses with the remainder identified as unrestricted, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$29.6 million or 36% from last fiscal year's net position. The increase was due to the City's water and sewer sales, impact fees, and sales tax and property tax revenues increased.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$91.9 million, a decrease of \$26.5 million in comparison with the prior year. Approximately 25% of this total amount, \$23.1 million, is available for spending at the government's discretion (unassigned fund balance). \$61.7 million or 67% of fund balance in the City's governmental funds is restricted for general improvements of infrastructure and facilities.
- As of the end of the current fiscal year, the City's proprietary funds, excluding internal service funds, reported combined ending net position of \$50.4 million. Approximately 17% of this total amount, \$8.7 million, is in unrestricted net position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a significant portion of their costs through user fees (*business-type activities*).

The governmental activities of the City include general government, public safety, streets, community services, and community development. The business-type activities of the City include water, wastewater, and solid waste services.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate entity for which the City is financially accountable, the Sherman Economic Development Corporation (SEDCO). Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. Complete financial statements for SEDCO are available upon request from SEDCO or the City's Finance Department.

The government-wide financial statements begin on page 20 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three (3) major governmental funds, and twenty-one (21) nonmajor governmental funds. Information for the major funds (General Fund, Debt Service Fund, and General Improvement Fund) is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements beginning on page 98 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The City's governmental fund financial statements begin on page 24 of this report.

Proprietary Funds. The City maintains two types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements and account for its water and wastewater, and solid waste operations. Internal Service Funds are used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for its equipment services, information technology, self-funded health insurance, and fleet replacement. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater operations and for solid waste operations, both of which are major funds of the City. Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the Internal Service Funds are provided in the form of combining statements beginning on page 129 of this report.

The basic proprietary fund financial statements can be found on pages 28 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 33 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning budgetary compliance of the City's general fund and the City's progress in funding its obligation to provide pension benefits and other post-employment benefits (OPEB) to its employees. Required supplementary information begins on page 85 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules begin on page 98 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$113.0 million at the close of the most recent fiscal year.

By far, the largest portion of the City's net position reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The overall net position of the City of Sherman increased by \$28.7 million, or 34.4% from the prior fiscal year. The increase was due to an increase in water and sewer sales, impact fees, property tax revenue and sales tax revenue and investment returns.

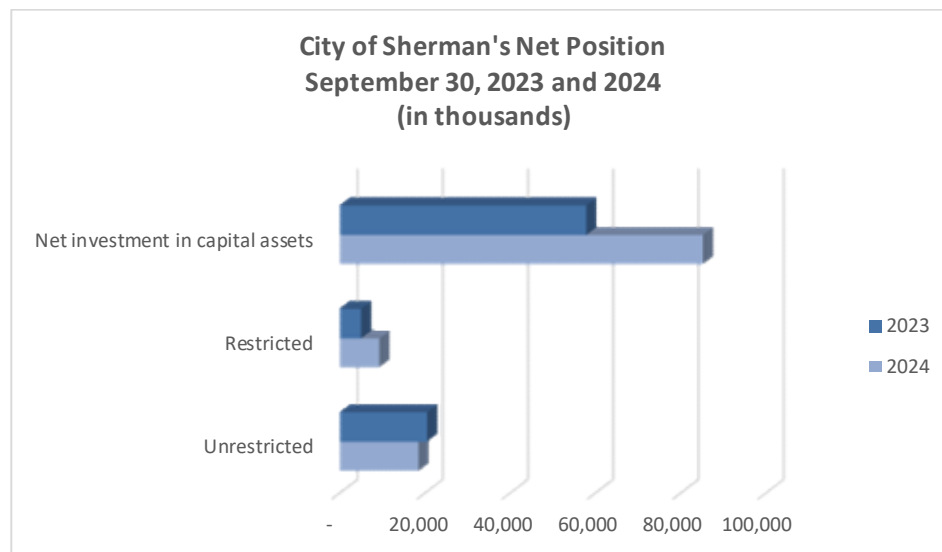
During fiscal year 2024, the City continued its plan to fund upcoming capital projects related to current and expected growth with debt issuances of \$3.7 million in tax notes.

The City's current net position, along with last fiscal year's numbers, are presented for comparison in the following table.

**City of Sherman's Net Position
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 104,728	\$ 127,128	\$ 21,541	\$ 17,706	\$ 126,269	\$ 144,834
Capital assets	162,286	119,903	38,600	33,950	200,886	153,853
Total assets	267,014	247,031	60,141	51,656	327,155	298,687
Deferred outflows of resources	9,261	13,765	2,258	3,356	11,519	17,121
Long-term liabilities	191,677	201,188	6,936	8,554	198,613	209,742
Other liabilities	19,046	14,593	4,025	3,934	23,071	18,527
Total liabilities	210,723	215,781	10,961	12,488	221,684	228,269
Deferred inflows of resources	2,970	3,082	1,021	1,090	3,991	4,172
Net investment in capital assets	48,480	25,941	36,745	31,909	85,225	57,850
Restricted	4,340	3,925	4,952	1,060	9,292	4,985
Unrestricted	9,762	12,067	8,720	8,465	18,482	20,532
Total net position	\$ 62,582	\$ 41,933	\$ 50,417	\$ 41,434	\$ 112,999	\$ 83,367

A portion of the City's net position, \$9.3 million, represents resources that are subject to external restrictions on how they may be used. At the end of the current fiscal year, all categories of net position were positive.

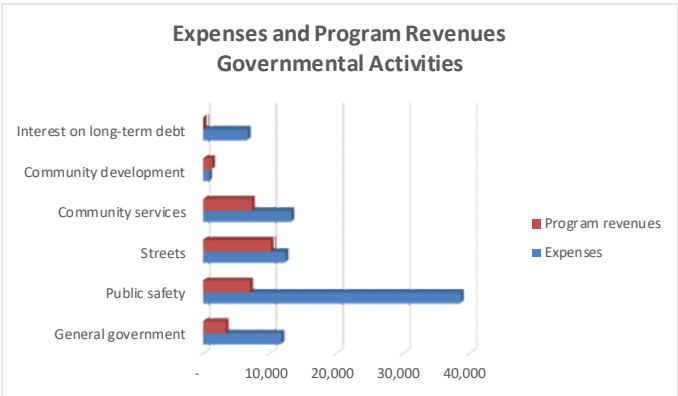


Changes in Net Position. The City's condensed changes in net position, along with last fiscal year's numbers, are presented for comparison in the following table.

City of Sherman's Changes in Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 12,305	\$ 11,381	\$ 43,480	\$ 41,847	\$ 55,785	\$ 53,228
Operating grants and contributions	3,188	1,187	-	-	3,188	1,187
Capital grants and contributions	13,204	4,646	7,873	2,615	21,077	7,261
General revenues:						
Property taxes	27,864	20,837	-	-	27,864	20,837
Sales taxes	30,207	29,672	-	-	30,207	29,672
Other taxes	4,452	4,313	-	-	4,452	4,313
Other	7,713	2,775	1,819	2,570	9,532	5,345
Total revenues	98,933	74,811	53,172	47,032	152,105	121,843
Expenses						
General government	11,640	9,479	-	-	11,640	9,479
Public safety	38,541	33,535	-	-	38,541	33,535
Streets	12,240	11,075	-	-	12,240	11,075
Sanitation	-	-	-	-	-	-
Community services	13,120	9,723	-	-	13,120	9,723
Community development	797	559	-	-	797	559
Interest on long-term debt	6,597	3,369	-	-	6,597	3,369
Water and sewer service	-	-	30,972	28,726	30,972	28,726
Solid waste service	-	-	8,566	7,359	8,566	7,359
Total expenses	82,935	67,740	39,538	36,085	122,473	103,825
Increase in net position before transfers	15,998	7,071	13,634	10,947	29,632	18,018
Transfers	4,651	3,890	(4,651)	(3,890)	-	-
Change in net position	20,649	10,961	8,983	7,057	29,632	18,018
Net position, beginning	41,933	30,972	41,434	34,377	83,367	65,349
Net position, ending	\$ 62,582	\$ 41,933	\$ 50,417	\$ 41,434	\$ 112,999	\$ 83,367

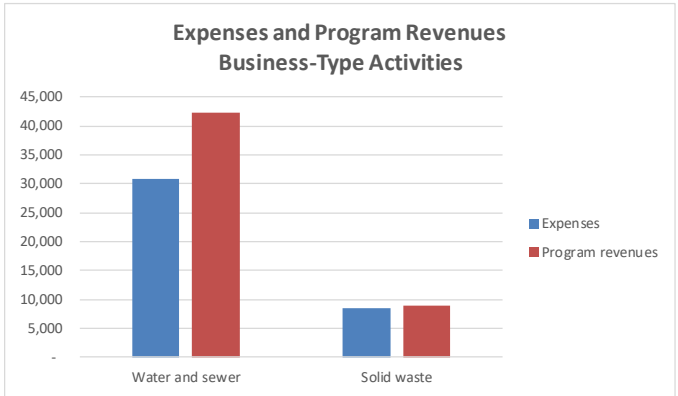
Governmental Activities. Governmental activities increased the City's net position by \$20.6 million due to capital contributions increasing \$8.6 million, property tax growth of \$7.0 million or 33% from increased valuations and additions to the tax roll. Expenses in governmental activities were higher than the prior year primarily due to an increase in general government expenses of \$2.2 million or 23% due to payroll expenditures, maintenance and repair costs, as well as other operating costs. An increase in public safety expenses of \$5.0 million or 15% was due to payroll costs, and interest on long-term debt increased \$3.2 million.



Business-type Activities. Results for the current fiscal year in the City's business-type activities increased the City's net position by \$8.9 million, with operations similar to the prior year. Net position from Water and Sewer activities for fiscal year 2024 increased \$9.1 million, primarily due to water and sewer sales, along with increased capital contributions and impact fees.

Net position related to Solid Waste activities decreased \$0.2 million with solid waste service revenues slightly higher than expenses in fiscal year 2024. There were also transfers out totaling \$1.6 million.

The City's business-type activities expenses and program revenues are presented in the following chart.

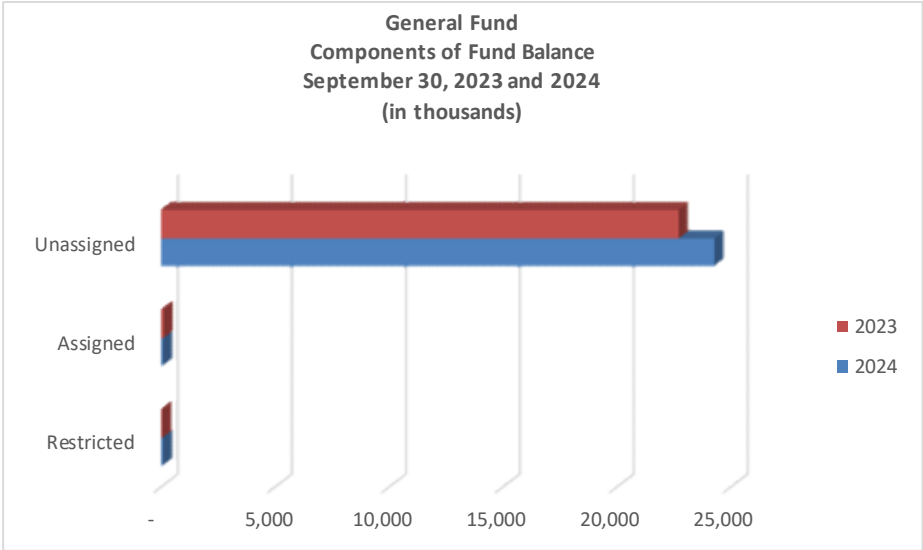


Financial Analysis of The Government's Funds

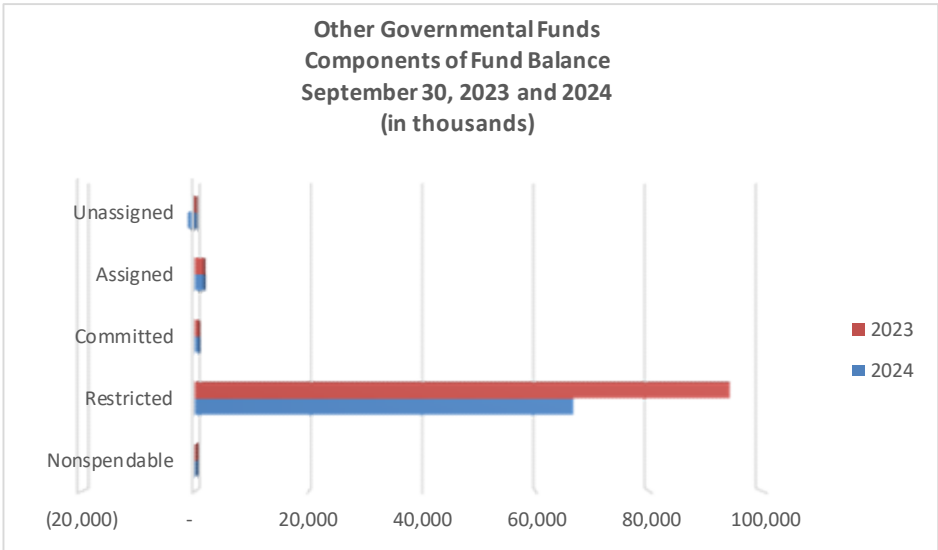
As noted earlier, the City of Sherman uses fund accounting to ensure and demonstrate compliance with finance- related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Sherman itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

On September 30, 2024, the City's governmental funds reported combined fund balances of \$91.9 million, which is \$26.5 million less than the prior year due to increased capital outlay. Approximately 25.1% of the governmental fund balances, or \$23.1 million, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form (\$0.1 million), 2) committed for particular purposes (\$0.5 million), 3) restricted for particular purposes (\$66.6 million), or 4) assigned for particular purposes (\$1.5 million).



The General Fund is the chief operating fund of the City of Sherman. At the end of the fiscal year, unassigned fund balance of the general fund was \$24.3 million. Total fund balance increased by \$1.6 million from the prior fiscal year to \$24.4 million, primarily due to growth of property tax revenue. Expenditures were higher than the prior year primarily due to an increase in general government of \$2.1 million and public safety of \$3.9 million from payroll and other operating costs. Unassigned fund balance represents approximately 38.2% of total general fund expenditures.



The General Improvement Fund, a major fund, decreased \$26.1 million during the fiscal year, ending the year at a fund balance of \$59.8 million. The decrease was due primarily due to capital outlay. Expenditures of \$34.6 million in fiscal year 2024 included \$12.3 million for Shepherd Drive, \$4.8 million for the renovation and addition of Fire Station No.1, \$4.0 million for Bel Air Boulevard, \$2.1 million for Lamberth Road, \$3.4 million for the public safety trunking system, \$0.7 million for Moore Street and other street and facilities projects.

The Debt Service Fund, also a major fund, ended the year at a fund balance of \$1.3 million. General property taxes of \$10.4 million were allocated to this fund to cover principal and interest payments of approximately \$11.8 million.

The remaining governmental funds ended the year with a fund balance of \$6.5 million, a decrease of \$1.7 million from the prior year, with similar activity in both years.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has two proprietary funds, the Water and Sewer Fund, and the Solid Waste Fund.

Unrestricted net position of the Water and Sewer Fund at the end of the year was \$8.0 million and had increased by \$9.1 million primarily due to water and sewer sales, capital contributions and impact fees, combined with transfers out.

Unrestricted net position of the Solid Waste Fund decreased marginally. Operations in the Solid Waste Fund were similar to the prior year.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. The original budget was amended by the City Council during fiscal year 2024, increasing revenues by \$2.9 million and expenditures by \$10.6 million. The additional revenues included interfund transfers of about \$2.5 million in addition to revenue realized in some of the minor funds. The additional expenses included \$2.6 million for well repairs, about \$2 million in transfers, \$900 thousand for demolition work, and expenses related to solid waste (disposal fees and truck repairs). The size of the budget amendment reflected the rate of growth and change the City experienced during fiscal year 2024 as well as increased costs due to economic factors.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$200.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery, equipment, vehicles, park facilities, roads, bridges, and the water and wastewater treatment plants. The City's total investments in net capital assets increased in the current fiscal year by \$47.0 million or approximately 31%.

Major capital asset events during fiscal year 2024 included the following:

- New and continuing projects included miscellaneous water line improvements, work related to the renovation and addition to Fire Station No. 1, Pebblebrook Phase IV Drainage, Bel Air Boulevard Phase II, Moore Street, and Shepherd Road Drive, Lamberth Road and City Hall renovations.
- Construction projects in progress at the end of fiscal year 2024 included new street design and construction in developing areas, drainage improvements, park facilities and improvements, consolidation of Fire Stations No. 1 and 2 and city hall design and renovation.
- Projects completed during the year included the Pecan Grove trail, shading and athletic field lights, the asphalt pump track at Binkley Park and the outdoor chapel at Westhill Cemetery.

- Various machinery and equipment were acquired totaling approximately \$6.6 million. Governmental activities included purchasing a vacuum sweeper, crack sealer, dump truck and two heavy-duty pickup trucks for the street department, rifle and handgun replacements as well as patrol vehicles and equipment for law enforcement, workstations for communications, three ambulances and equipment for the fire department, a skid steer and two pickup trucks for neighborhood services, two trucks, a tractor and a soil cultivator for the parks maintenance department, and a tractor for cemetery services. Business type activities included purchasing a vactor truck, a dump truck, an excavator, a skid steer and six pickup trucks for water treatment and distribution, two pickup trucks for wastewater treatment services, a roll off truck and four front loaders for solid waste collection.
- Depreciation totaled \$11.6 million for governmental activities, including internal service funds and \$3.4 million for business-type activities.

City of Sherman's Capital Assets, Net of Depreciation and Amortization
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 9,452	\$ 8,119	\$ 2,928	\$ 2,928	\$ 12,380	\$ 11,047
Buildings	23,673	24,463	996	1,059	24,669	25,522
Other improvements	66,804	57,179	25,778	21,042	92,582	78,221
Machinery and equipment	20,044	17,601	1,899	2,023	21,943	19,624
Other assets	62	83	6,507	6,410	6,569	6,493
Construction in progress	42,097	12,060	492	312	42,589	12,372
SBITA	154	398	-	176	154	574
Total assets	\$ 162,286	\$ 119,903	\$ 38,600	\$ 33,950	\$ 200,886	\$ 153,853

Additional information on the City's capital assets can be found in footnote 3(C) of this report.

Debt Administration

At the end of the current fiscal year, the City had total contractually obligated long-term debt of \$176 million. In fiscal year 2024, the City issued \$3.7 million in tax notes for the purchase of equipment for departments in the general fund, utility fund and the solid waste fund which will be repaid from property taxes.

City of Sherman's Outstanding Debt
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Bonds	\$ 4,652	\$ 5,587	\$ -	\$ -	\$ 4,652	\$ 5,587
Leases	-	-	-	-	-	-
SBITA	102	327	51	100	153	427
Certificates of obligation, net of premium	161,483	166,285	-	-	161,483	166,285
Other long-term payables	531	1,259	1,803	1,940	2,334	3,199
Tax notes	7,508	5,381	-	-	7,508	5,381
Total debt	\$ 174,276	\$ 178,839	\$ 1,854	\$ 2,040	\$ 176,130	\$ 180,879

Long-term debt for the City decreased by \$4.7 million or 2.6%, due to annual principal payments offset by issuances of \$3.7 million in tax notes.

The City of Sherman maintains a "AA" rating from Standard & Poor's for general obligation debt and a rating of "A" for its debt issued through the Greater Texoma Utility Authority.

As part of the budget process, City staff compare the debt limit allowed under the City charter to debt outstanding. At the beginning of the 2024 fiscal year, the City had 29.2% of allowable bonded debt outstanding.

Additional information on the City's long-term debt can be found in footnote 3(D) of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors affecting the City were considered in developing the 2024-2025 fiscal year budget.

- General Fund revenues are expected to be more than in the fiscal year 2024. Sales tax is expected to decrease due to the end of construction-related revenue on the industrial facilities. Property tax is expected to increase due to one-time property tax from the unabated value of the industrial construction. In fiscal year 2026 when the facilities are placed in service, most of this value will be abated and property taxes will decrease. Tax notes, to be repaid from property taxes, will be used to finance about \$4.5 million for fleet, facility and equipment expenses. New positions planned or added since the fiscal year 2024 original budget include a civil engineer, engineering construction inspector, two patrol officers and a permit technician.
- Utility Fund revenues are expected to increase in fiscal year 2025. An increase in utility rates and consumption is expected to generate about \$16 million. Most of this revenue will be used to fund debt service in fiscal year 2026 through fiscal year 2030 or until revenues catch up to debt service levels. Utility fund expenses are budgeted to increase compared to fiscal year 2024 due to an increase in personnel, debt service, chemicals and other supplies to operate the expansions at the water treatment plant and the wastewater treatment plant. Twelve positions were added, primarily to staff expansions at the water treatment plant and the wastewater treatment plant.
- Solid Waste Fund revenue is expected to continue to grow, with most of the increase coming from commercial activity. The Solid Waste fund is balanced ongoing due to a 5% commercial rate increase and an increase for two residential carts from \$12.75 to \$15.30 per month. A commercial driver position was also added.
- The budget of the General Improvement Fund - City Funds consists of projects not funded by Certificates of Obligation. The fiscal year 2025 budget includes the City's match on a major runway improvement at the Sherman Municipal Airport, almost \$2 million in street material, facility repairs at the Municipal building, animal shelter, cemetery and senior center, and police department video evidence equipment. Funding may come from a variety of sources including the General Fund, grant funds, or Tax Notes.
- The budget of the General Improvement Fund - Bond Funds consists of projects funded by Certificates of Obligation. Ongoing and new street projects include Three Oaks, Travis Heights, Bel Air Village, Pecan Grove Estates and Heritage Ranch developments, major rebuilds of Cherry, Washington and Sunset, and infrastructure for the commercial activity at Sherman Crossroads. City facility projects include creek erosion at the cemetery, design and planning for a public works facility, a public safety training facility, another fire station and remodel of Fire Station #3 (Pecan Grove). Lamberth Road and Blanton and McGee Streets will see drainage improvements.

- Projects funded by contractual debt through the Greater Texoma Utility Authority include the final phase of the Wastewater Treatment Plant MBR, engineering for the expansion of the MBR, rehab of Stephens ground storage tank, and 18" wastewater line along Choctaw Creek, a wastewater reuse study, and other projects.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Sherman, Finance Department, P.O. Box 1106, Sherman, Texas 75091-1106.



Basic Financial Statements

City of Sherman, Texas

Statement of Net Position

September 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash	\$ 11,473,169	\$ 2,867,898	14,341,067	\$ 16,178,171
Pooled and temporary investments	85,655,413	11,098,384	96,753,797	11,198,773
Receivables, net	7,362,228	6,705,574	14,067,802	1,117,785
Inventories, at cost	236,185	859,428	1,095,613	-
Prepayments and deposits	644	10,158	10,802	-
Total current assets	104,727,639	21,541,442	126,269,081	28,494,729
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	51,549,382	9,820,743	61,370,125	7,109,689
Other capital assets, net	110,737,171	28,779,635	139,516,806	61,532
Total noncurrent assets	162,286,553	38,600,378	200,886,931	7,171,221
Total assets	267,014,192	60,141,820	327,156,012	35,665,950
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan - TMRS	8,521,320	2,077,534	10,598,854	121,136
OPEB - retiree health plan	531,262	129,524	660,786	7,552
OPEB - TMRS supplemental death benefit	208,271	50,778	259,049	2,961
Total deferred outflows of resources	9,260,853	2,257,836	11,518,689	131,649
LIABILITIES				
Current liabilities:				
Accounts payable	5,640,088	895,533	6,535,621	166,313
Accrued expenses payable	1,141,670	196,629	1,338,299	74,420
Accrued interest payable	902,536	-	902,536	-
Unearned revenue	214,722	1,564,578	1,779,300	-
Landfill closure costs	-	39,468	39,468	-
Customers' deposits payable	188,790	576,129	764,919	-
Current portion of bonds, leases, certificates of obligation, tax notes and other long-term payables	10,958,239	752,196	11,710,435	49,042
Total current liabilities	19,046,045	4,024,533	23,070,578	289,775

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas

Statement of Net Position (Continued)

September 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Unit
Long-term liabilities:				
Accrued compensated absences	3,293,625	-	3,293,625	-
Notes payable	89,823	-	89,823	-
General obligation bonds	3,747,172	-	3,747,172	-
Certificates of obligation	157,143,185	-	157,143,185	-
Tax notes	5,773,131	-	5,773,131	-
Subscription liability	-	-	-	-
Lease liabilities	-	-	-	21,164
Net pension liability	16,413,466	4,001,673	20,415,139	233,328
Total OPEB liability - retiree health plan	4,035,359	983,838	5,019,197	57,366
Total OPEB liability - TMRS supplemental death benefit	1,180,957	287,922	1,468,879	16,788
Other long-term payables	-	1,662,718	1,662,718	-
Total long-term liabilities	191,676,718	6,936,151	198,612,869	328,646
Total liabilities	210,722,763	10,960,684	221,683,447	618,421
DEFERRED INFLOWS OF RESOURCES				
Leases	47,434	308,450	355,884	-
Pension plan - TMRS	678,406	165,399	843,805	9,644
OPEB - Retiree health plan	1,772,017	432,025	2,204,042	25,190
OPEB - TMRS supplemental death plan	471,759	115,017	586,776	6,706
Total deferred inflows of resources	2,969,616	1,020,891	3,990,507	41,540
NET POSITION				
Net investment in capital assets	48,480,174	36,746,207	85,226,381	7,108,580
Restricted for:				
General obligation debt service	554,614	-	554,614	-
Cemetery maintenance:				
Expendable	2,025,430	-	2,025,430	-
Nonexpendable	100,000	-	100,000	-
Cafeteria plan	55,087	-	55,087	-
Law enforcement support	1,401,810	-	1,401,810	-
Airport and tourism	202,793	-	202,793	-
Impact fees	-	4,951,697	4,951,697	-
Economic development	-	-	-	28,029,058
Unrestricted	9,762,758	8,720,177	18,482,935	-
TOTAL NET POSITION	\$ 62,582,666	\$ 50,418,081	\$ 113,000,747	\$ 35,137,638

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 11,639,094	\$ 2,423,993	\$ 857,608	\$ -
Public safety	38,540,704	5,947,907	987,024	-
Streets	12,240,440	1,877,392	16,149	8,147,186
Community services	13,120,403	2,055,668	88,981	5,056,638
Community development	796,499	-	1,238,541	-
Interest on long-term debt	6,597,284	-	-	-
Total governmental activities	82,934,424	12,304,960	3,188,303	13,203,824
Business-type activities:				
Water and sewer service	30,972,255	34,491,786	-	7,873,104
Solid waste service	8,565,554	8,988,120	-	-
Total business-type activities	39,537,809	43,479,906	-	7,873,104
TOTAL PRIMARY GOVERNMENT	\$ 122,472,233	\$ 55,784,866	\$ 3,188,303	\$ 21,076,928
COMPONENT UNIT				
Economic development	\$ 3,049,877	\$ -	\$ -	\$ -
General revenues:				
Taxes:				
General property				
City Sales				
Franchise				
Nonproperty				
Property assessment				
Investment Income				
Miscellaneous				
Gain on sale of capital assets				
Transfers - internal activity				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
NET POSITION, ENDING				

The Notes to the Financial Statements are an integral part of this statement.

Net Revenues (Expenses) and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$ (8,357,493)	\$ -	\$ (8,357,493)	\$ -
(31,605,773)	-	(31,605,773)	-
(2,199,713)	-	(2,199,713)	-
(5,919,116)	-	(5,919,116)	-
442,042	-	442,042	-
(6,597,284)	-	(6,597,284)	-
(54,237,337)	-	(54,237,337)	-
-	11,392,635	11,392,635	-
-	422,566	422,566	-
-	11,815,201	11,815,201	-
\$ (54,237,337)	\$ 11,815,201	\$ (42,422,136)	\$ -
-	-	-	(3,049,877)
27,863,709	-	27,863,709	-
30,207,162	-	30,207,162	6,970,884
3,120,613	-	3,120,613	-
1,035,849	-	1,035,849	-
295,680	-	295,680	-
6,488,918	725,715	7,214,633	1,258,478
968,368	1,042,670	2,011,038	22,500
255,848	51,338	307,186	189,061
4,650,915	(4,650,915)	-	-
74,887,062	(2,831,192)	72,055,870	8,440,923
20,649,725	8,984,009	29,633,734	5,391,046
41,932,941	41,434,072	83,367,013	29,746,592
\$ 62,582,666	\$ 50,418,081	\$ 113,000,747	\$ 35,137,638

City of Sherman, Texas

Balance Sheet

Governmental Funds

September 30, 2024

	General	General Improvement	Debt Service	Nonmajor Governmental	Total Governmental
ASSETS					
Cash	\$ 3,296,500	\$ 1,764,906	\$ 1,252,478	\$ 3,652,484	\$ 9,966,368
Pooled and temporary investments	18,095,555	60,727,538	-	4,304,418	83,127,511
Receivables (net of allowance for uncollectibles):					
Interest	107,912	29,515	-	3,642	141,069
Intergovernmental	66,430	-	-	150,115	216,545
Accounts	1,167,570	-	-	152,424	1,319,994
Taxes	5,151,154	-	204,672	267,559	5,623,385
Leases	-	-	-	49,584	49,584
Due from other funds	264,307	-	-	-	264,307
Inventory	-	-	-	15,532	15,532
Prepayments and deposits	644	-	-	-	644
TOTAL ASSETS	\$ 28,150,072	\$ 62,521,959	\$ 1,457,150	\$ 8,595,758	\$ 100,724,939
LIABILITIES					
Accounts payable	\$ 2,429,898	\$ 2,736,559	\$ -	\$ 118,448	\$ 5,284,905
Accrued wages payable	297,918	-	-	5,510	303,428
Customer deposits	2,265	-	-	186,525	188,790
Unearned revenue	203,913	-	-	5,580	209,493
Due to other funds	-	-	-	1,763,724	1,763,724
Total liabilities	2,933,994	2,736,559	-	2,079,787	7,750,340
DEFERRED INFLOWS OF RESOURCES					
Property taxes	299,351	-	186,888	-	486,239
Court fines	114,113	-	-	-	114,113
Ambulance fees	436,552	-	-	-	436,552
Deferred inflows - leases	-	-	-	47,434	47,434
Total deferred inflows of resources	850,016	-	186,888	47,434	1,084,338
FUND BALANCES					
Nonspendable:					
Prepayments and deposits	644	-	-	-	644
Endowment	-	-	-	100,000	100,000
Inventory	-	-	-	15,532	15,532
Restricted for:					
Cafeteria plan	55,087	-	-	-	55,087
Law enforcement support	-	-	-	1,401,810	1,401,810
Airport and tourism	-	-	-	202,793	202,793
Infrastructure and facilities improvement	-	58,333,768	-	3,347,127	61,680,895
Debt service	-	-	1,270,262	-	1,270,262
Cemetery maintenance	-	-	-	2,025,430	2,025,430
Committed to:					
New street development	-	-	-	548,487	548,487
Assigned for:					
Public charities	56,698	-	-	-	56,698
General improvements	-	1,451,632	-	-	1,451,632
Unassigned	24,253,633	-	-	(1,172,642)	23,080,991
Total fund balance	24,366,062	59,785,400	1,270,262	6,468,537	91,890,261
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 28,150,072	\$ 62,521,959	\$ 1,457,150	\$ 8,595,758	\$ 100,724,939

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2024

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 91,890,261
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Amounts reported for governmental activities in the statement
of net position are different because:

Internal Service Funds are used to charge the costs of certain activities such as fleet maintenance, information technology and insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.	11,995,280
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	249,936,930
Less: accumulated depreciation	(103,484,245)

Long-term liabilities that pertain to governmental funds are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term are reported in the statement of net position. Included with amounts related to long-term liabilities is the deferred charge on bond refunding. Included with amounts related to the net pension liability are deferred outflows of resources and deferred inflows of resources that are attributable to the multi-employer pension plan. Balances at year-end are:

Bonds payable	(4,652,172)
Certificates of obligation	(161,483,185)
Tax notes	(580,828)
Subscription liability	(102,080)
Compensated absences	(6,074,469)
Net pension liability	(15,556,555)
OPEB - retiree health plan	(4,329,080)
OPEB - TMRS supplemental death benefit	(1,119,302)
Deferred outflows of resources - pension plan	8,076,440
Deferred outflows of resources - OPEB retiree health plan	503,526
Deferred outflows of resources - TMRS supplemental death benefit	197,398
Deferred inflows of resources - pension plan	(642,988)
Deferred inflows of resources - OPEB retiree health plan	(1,679,504)
Deferred inflows of resources - TMRS supplemental death benefit	(447,129)

Various other items necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, including:

Accrued interest payable	(902,536)
Unavailable revenue - property taxes	486,239
Unavailable revenue - court fines	114,113
Unavailable revenue - ambulance fees	436,552

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 62,582,666
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The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended September 30, 2024

	General	General Improvement	Debt Service	Nonmajor Governmental	Total Governmental
REVENUES					
Taxes:					
General property	\$ 14,513,257	\$ -	\$ 10,413,377	\$ 852,157	\$ 25,778,791
City sales	30,207,162	-	-	-	30,207,162
Franchise	3,120,613	-	-	-	3,120,613
Nonproperty	195,876	-	-	839,973	1,035,849
Property assessment	-	-	-	295,680	295,680
Licenses and permits	3,053,786	-	-	-	3,053,786
Intergovernmental	1,033,521	-	-	1,262,578	2,296,099
Charges for services	5,963,760	-	-	2,981,668	8,945,428
Fines and forfeitures	776,769	-	-	122,751	899,520
Investment income (loss)	1,298,577	4,166,589	115,660	645,485	6,226,311
Donations	42,991	-	-	78,301	121,292
Miscellaneous	797,534	40,744	1,056	61,377	900,711
Total revenues	61,003,846	4,207,333	10,530,093	7,139,970	82,881,242
EXPENDITURES					
Current:					
General government	11,062,394	-	-	-	11,062,394
Public safety	36,149,039	-	-	256,104	36,405,143
Streets	6,385,459	-	-	-	6,385,459
Community services	8,833,547	-	-	1,842,972	10,676,519
Community development	-	-	-	790,030	790,030
Capital outlay	904,782	34,632,748	-	1,717,515	37,255,045
Debt service:					
Principal	107,441	-	5,506,908	-	5,614,349
Interest	4,265	-	6,297,704	-	6,301,969
Debt issuance costs and agent fees	-	-	8,025	-	8,025
Total expenditures	63,446,927	34,632,748	11,812,637	4,606,621	114,498,933
Excess (deficiency) of revenues over (under) expenditures	(2,443,081)	(30,425,415)	(1,282,544)	2,533,349	(31,617,691)
OTHER FINANCING SOURCES (USES)					
Issuance of tax notes	-	468,426	-	-	468,426
Transfers in	5,005,471	3,900,000	1,075,000	-	9,980,471
Transfers out	(1,000,000)	(50,516)	-	(4,234,000)	(5,284,516)
Total other financing sources (uses)	4,005,471	4,317,910	1,075,000	(4,234,000)	5,164,381
Net change in fund balances	1,562,390	(26,107,505)	(207,544)	(1,700,651)	(26,453,310)
Fund balances, beginning	22,803,672	85,892,905	1,477,806	8,169,188	118,343,571
FUND BALANCES, ENDING	\$ 24,366,062	\$ 59,785,400	\$ 1,270,262	\$ 6,468,537	\$ 91,890,261

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended September 30, 2024

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS

\$ (26,453,310)

Amounts reported for governmental activities in the statement
of activities are different because:

Internal Service Funds are used to charge the costs of certain activities such as fleet maintenance, information technology and insurance to individual funds. The change in net position of the Internal Service Funds is reported with governmental activities.

1,430,367

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount of capital outlay (\$35,718,905) and capital contributions (\$13,203,824) recorded as capital assets in the current period.

48,922,729

Depreciation on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds.

(8,546,751)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of refunding transactions, premiums, discounts, and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt	(468,426)
Principal paid - bonds payable	880,000
Principal paid - certificates of obligation	4,495,000
Principal paid - tax notes	131,908
Principal paid - subscription liability	107,441
Amortization of premium on debt issuance	362,726

Certain expenses related to employee compensation and benefits are reported in the statement of activities but do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated balances	(905,531)
Change in pension liability	722,233
Change in OPEB obligation - retiree health plan	181,391
Change in OPEB obligation - TMRS supplemental death benefit	19,875

Various other items necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, including:

Miscellaneous transactions involving capital assets	(144,246)
Change in accrued interest payable	(425,772)
Change in unavailable revenue - property taxes	162,953
Change in unavailable revenue - court fines	16,494
Change in unavailable revenue - ambulance fees	160,644

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES

\$ 20,649,725

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service
ASSETS				
Current assets:				
Cash	\$ 2,571,231	\$ 296,667	\$ 2,867,898	\$ 1,506,801
Pooled and temporary investments	10,354,243	744,141	11,098,384	2,527,902
Receivables (net allowances for uncollectibles):				
Interest	9,310	5,137	14,447	-
Leases	502,170	-	502,170	-
Accounts	3,554,434	949,973	4,504,407	11,651
Unbilled accounts	1,544,598	139,952	1,684,550	-
Inventories, at cost	859,428	-	859,428	220,653
Prepaid items	10,158	-	10,158	-
Due from other funds	-	-	-	1,683,086
Total current assets	19,405,572	2,135,870	21,541,442	5,950,093
Capital assets:				
Non-depreciable assets	9,817,743	3,000	9,820,743	55,250
Other capital assets, net	27,915,678	863,957	28,779,635	15,778,618
Total noncurrent assets	37,733,421	866,957	38,600,378	15,833,868
Total assets	57,138,993	3,002,827	60,141,820	21,783,961
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan - TMRS	1,618,718	458,816	2,077,534	444,880
OPEB - retiree health plan	100,919	28,605	129,524	27,736
OPEB - supplemental death benefit	39,564	11,214	50,778	10,873
Total deferred outflows of resources	1,759,201	498,635	2,257,836	483,489
LIABILITIES				
Current liabilities:				
Accounts payable	598,158	297,375	895,533	355,183
Accrued expenses payable:				
Accrued wages payable	150,786	45,843	196,629	37,421
Landfill closure and postclosure care costs	-	39,468	39,468	-
Claims payable	-	-	-	800,821
Due to other funds	-	-	-	183,669
Unearned revenue	1,564,578	-	1,564,578	5,229
Customers' deposits payable	506,945	69,184	576,129	-
Current portion of long-term liabilities:				
Notes payable	-	-	-	530,890
Subscription liability	-	50,938	50,938	-
Accrued compensated absences	323,513	107,482	430,995	122,065
Tax notes	-	-	-	6,927,303
Total OPEB liability - retiree health plan	101,094	28,654	129,748	27,784
Other long-term payables	140,515	-	140,515	-
Total current liabilities	3,385,589	638,944	4,024,533	8,990,365

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas

Statement of Net Position (Continued)

Proprietary Funds

September 30, 2024

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service
Long-term liabilities (net of current portion):				
Notes payable	\$ -	\$ -	\$ -	-
Subscription liability	-	-	-	-
Net pension liability	3,117,918	883,755	4,001,673	856,911
Tax notes	-	-	-	-
Total OPEB liability - retiree health plan	766,561	217,277	983,838	210,678
Total OPEB liability - supplemental death benefit	224,336	63,586	287,922	61,655
Other long-term payables	1,662,718	-	1,662,718	-
Total long-term liabilities	5,771,533	1,164,618	6,936,151	1,129,244
Total liabilities	9,157,122	1,803,562	10,960,684	10,119,609
DEFERRED INFLOWS OF RESOURCES				
Leases	308,450	-	308,450	-
Pension plan - TMRs	128,871	36,528	165,399	35,418
OPEB - retiree health plan	336,614	95,411	432,025	92,513
OPEB - supplemental death benefits	89,616	25,401	115,017	24,630
Total deferred inflows of resources	863,551	157,340	1,020,891	152,561
NET POSITION				
Net investment in capital assets	35,930,188	816,019	36,746,207	10,603,909
Restricted for:				
Impact fees	4,951,697	-	4,951,697	-
Unrestricted	7,995,636	724,541	8,720,177	1,391,371
TOTAL NET POSITION	<u>\$ 48,877,521</u>	<u>\$ 1,540,560</u>	<u>\$ 50,418,081</u>	<u>\$ 11,995,280</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Fiscal Year Ended September 30, 2024

	Business-type Activities -Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service
OPERATING REVENUES				
Water sales	\$ 18,984,415	\$ -	\$ 18,984,415	\$ -
Sewer sales	10,823,414	-	10,823,414	-
Solid waste service	-	8,988,120	8,988,120	-
Laboratory fees	139,362	-	139,362	-
Service connections and penalties	756,124	-	756,124	-
Utility tap fees	70,107	-	70,107	-
Charges for services	60,604	-	60,604	16,382,328
Property taxes	-	-	-	1,921,965
Intergovernmental	60,950	-	60,950	-
Miscellaneous	121,005	921,665	1,042,670	67,657
Total operating revenues	31,015,981	9,909,785	40,925,766	18,371,950
OPERATING EXPENSES				
Personnel services	8,128,621	2,354,349	10,482,970	2,282,081
Contractual services	11,702,562	3,556,466	15,259,028	7,816,386
Supplies	2,152,397	508,755	2,661,152	1,383,775
Maintenance and repair	4,784,292	74,187	4,858,479	2,528,164
Vehicle usage	888,646	1,923,940	2,812,586	107,962
Depreciation and amortization	3,257,646	145,079	3,402,725	3,072,386
Total operating expenses	30,914,164	8,562,776	39,476,940	17,190,754
Operating income (loss)	101,817	1,347,009	1,448,826	1,181,196
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on sale of assets	16,974	34,364	51,338	255,848
Investment income	629,342	96,373	725,715	262,607
Interest expense	(58,091)	(2,778)	(60,869)	(224,244)
Impact fees	3,657,760	-	3,657,760	-
Total nonoperating revenues (expenses)	4,245,985	127,959	4,373,944	294,211
Income (loss) before contributions and transfers	4,347,802	1,474,968	5,822,770	1,475,407
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	7,812,154	-	7,812,154	-
Transfers in	438,092	-	438,092	-
Transfers out	(3,456,458)	(1,632,549)	(5,089,007)	(45,040)
Total contributions and transfers	4,793,788	(1,632,549)	3,161,239	(45,040)
Change in net position	9,141,590	(157,581)	8,984,009	1,430,367
Net position, beginning	39,735,931	1,698,141	41,434,072	10,564,913
NET POSITION, ENDING	<u>\$ 48,877,521</u>	<u>\$ 1,540,560</u>	<u>\$ 50,418,081</u>	<u>\$ 11,995,280</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 30,261,699	\$ 9,740,156	\$ 40,001,855	\$ -
Cash received for interfund services	-	-	-	18,860,757
Cash paid for supplies and materials	(19,809,801)	(5,962,536)	(25,772,337)	(4,927,513)
Cash paid for premiums, claims and administrative	-	-	-	(6,520,179)
Cash paid for personnel services	(8,299,919)	(2,387,220)	(10,687,139)	(2,317,373)
Net cash provided by (used for) operating activities	2,151,979	1,390,400	3,542,379	5,095,692
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received from other funds	438,092	-	438,092	-
Cash paid to other funds	(3,456,458)	(1,632,549)	(5,089,007)	(45,040)
Net cash provided by (used for) noncapital financing activities	(3,018,366)	(1,632,549)	(4,650,915)	(45,040)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	16,974	34,364	51,338	249,408
Acquisition of capital assets	(7,952,407)	(101,185)	(8,053,592)	(5,217,249)
Proceeds from issuance of long-term debt	-	-	-	3,532,851
Principal retirement of long-term debt	(136,440)	(49,568)	(186,008)	(2,587,558)
Impact fees	3,657,760	-	3,657,760	-
Interest paid on long-term debt	(58,091)	(2,778)	(60,869)	(224,244)
Capital contributions	7,812,154	-	7,812,154	-
Net cash provided by (used for) capital and related financing activities	3,339,950	(119,167)	3,220,783	(4,246,792)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and investment income received	629,342	96,373	725,715	262,607
Purchases of investments	(2,569,741)	-	(2,569,741)	(2,228,321)
Proceeds from sale of investments	-	285,500	285,500	676,838
Net cash provided by (used for) investing activities	(1,940,399)	381,873	(1,558,526)	(1,288,876)
Net increase (decrease) in cash	533,164	20,557	553,721	(485,016)
Cash beginning	2,038,067	276,110	2,314,177	1,991,817
CASH ENDING	\$ 2,571,231	\$ 296,667	\$ 2,867,898	\$ 1,506,801

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas

Statement of Cash Flows (Continued)

Proprietary Funds

For the Fiscal Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income	\$ 101,817	\$ 1,347,009	\$ 1,448,826	\$ 1,181,196
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	3,257,646	145,079	3,402,725	3,072,386
(Increase) decrease in:				
Accounts receivable (net)	(4,294)	(158,314)	(162,608)	(3,661)
Due from other funds	-	-	-	493,962
Unbilled services	(689,038)	(11,315)	(700,353)	-
Inventories	(164,335)	-	(164,335)	21,701
Prepaid items	-	-	-	13
Increase (decrease) in:				
Accounts payable	(288,063)	63,274	(224,789)	(17,835)
Accrued wages payable	32,809	8,413	41,222	6,769
Due to other funds	-	-	-	50,252
Estimated liability for claims	-	-	-	327,695
Accrued compensated absences	14,132	19,275	33,407	15,577
Unearned revenue	(60,950)	-	(60,950)	(1,494)
Customer deposits	137,685	29,125	166,810	-
Net pension and OPEB obligations	(185,430)	(52,146)	(237,576)	(50,869)
Total adjustments	2,050,162	43,391	2,093,553	3,914,496
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 2,151,979</u>	<u>\$ 1,390,400</u>	<u>\$ 3,542,379</u>	<u>\$ 5,095,692</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Sherman, Texas

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

The City of Sherman, Texas (the City) was founded by an act of the First Texas Legislature in 1846 and was incorporated as a general law City on December 7, 1858. In 1915, the City was reorganized as a home rule City with the adoption of a new City Charter. The new charter established a Council-Manager form of government. The general governmental functions include law enforcement, fire and other public safety activities, streets, sanitation, public improvements, public charities, parks and recreation, library services, zoning and general administrative services. Enterprise Funds are used to account for the operations of its water, sewer and solid waste systems.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles (GAAP) generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for the local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled, *Audits of State and Local Governmental Units*.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended general fund budgets with actual results. The City does not have any major special revenue funds.

B. Financial Reporting Entity

The City is governed by an elected mayor and a six-member council. As required by GAAP, these financial statements present the City (the primary government) and the entities for which the City is considered to be financially accountable (component units). Discretely presented component units are reported in a separate column in the basic financial statements in order to emphasize that they are legally separate from the City.

The City's financial reporting entity comprises the following:

Primary Government:	City of Sherman
Discrete Component Unit:	Sherman Economic Development Corporation (SEDCO)

City of Sherman, Texas

Notes to the Financial Statements

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units with the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The City appoints a voting majority of the organization's board.
- The City is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit / burden on the City; and
- There is fiscal dependency by the organization on the City.

These factors make the organization meet the criteria for being presented as a component unit.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation. Currently, the City presents no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The following component unit is discretely presented into the reporting activity type of the City's report.

Sherman Economic Development Corporation – (SEDCO) is a nonprofit industrial development corporation organized for the purpose of promoting, assisting, and enhancing economic development activities for the City as provided by the Development Corporation Act of 1979. SEDCO is managed by a board of directors composed entirely of persons appointed by and serving at the pleasure of the Sherman City Council. The City is also financially accountable for SEDCO because the City Council approves SEDCO's budget, levies sales taxes (SEDCO's primary source of revenue), and approves any debt issuances. Sales taxes are collected under Section 4A of the Development Corporation Act of 1979 for these purposes. SEDCO began its operations on April 1, 1996. A copy of SEDCO's audit report can be obtained by contacting their offices at 307 West Washington, Sherman, Texas 75090.

Related Organizations

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the respective organizations. Related organizations are described as follows:

Housing Authority of the City of Sherman (Authority) – Administers federal programs to provide low-rent housing to qualified City residents. The five-member board of the Authority is appointed by the Mayor. The City Council has no significant influence over the management, budget or policies of the Authority. The Authority reports independently.

Greater Texoma Utility Authority (GTUA) – Assists local governments in the development of water, sewer and solid waste facilities. The City appoints 3 members to GTUA's 9-member Board of Directors. The City financed certain water and sewer facilities through debt issued by GTUA and the City is contractually obligated to make sufficient payments to GTUA for annual debt service requirements of that debt. The City has no significant influence over the operations of GTUA, as its scope benefits other entities beside the City. GTUA reports independently.

City of Sherman, Texas

Notes to the Financial Statements

Texoma Area Solid Waste Authority (TASWA) – Developed and operates a municipal solid waste landfill for the benefit of the City and other local governments in Grayson and Cooke Counties. The Mayor serves as one of five members of TASWA's Board of Directors. The City has an ongoing financial responsibility to TASWA and has pledged to pay fees established by TASWA in order for TASWA to pay its operating and debt service obligations. However, the City has no significant influence over TASWA's administration or operation. TASWA reports independently.

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (general government, public safety, streets, community services and community development) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property taxes, sales taxes, franchise taxes, intergovernmental revenues, and interest income).

Separate funds-based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of applicable fund category and for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a separate column in the applicable fund financial statements.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are franchise fees and administrative charges between the City's Enterprise Funds and the General Fund and charges of the Internal Service Funds to the City's other operating funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Sherman, Texas

Notes to the Financial Statements

Amounts reported as program revenues include charges to customers for services and operating and capital grants and contributions. General revenues include all taxes and internally generated resources. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

E. Fund Types and Major Funds

Governmental Funds

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The City reports the following major governmental funds:

General Fund – reports the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

General Improvement Fund – accounts for projects planned as part of the City's five-year capital improvement program.

Debt Service Fund – to account for the payment of principal and interest on long-term debt.

Proprietary Funds

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The City reports the following major Enterprise Funds:

Water and Sewer Fund – accounts for the provision of water and sewer services to the residents of the City.

Solid Waste Fund – accounts for the solid waste collection function of the City.

City of Sherman, Texas

Notes to the Financial Statements

Other Fund Types

Additionally, the City reports the following fund type:

Special Revenue Funds – account for the proceeds of specific revenue sources that are restricted by law or committed by governing authority for specified purposes, other than debt service or capital projects. They are funded through taxes, grants, donations, assessments, fees and fines.

Capital Projects Funds – account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Fund – used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry. The Perpetual Care Fund of the cemetery is the City's only permanent fund.

Internal Service Funds – used to account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis. These services include fleet management, information technology, self-funded health and dental insurance, and fleet replacement. These are proprietary funds that are reported with governmental activities in the government-wide financial statements.

F. Assets, Liabilities, and Net Position or Equity

Cash and Investments

Cash of all funds is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month-end. An individual fund's pooled cash and cash investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of 90 days or less are also considered to be "cash equivalents."

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60-day period after the close of the City's fiscal year.

City of Sherman, Texas

Notes to the Financial Statements

Taxable property includes real property and certain personal property situated in the City. Certain properties of religious, educational and charitable organizations, including the federal government and the State of Texas, are exempt from taxation. Additionally, there are other exemptions as noted below in arriving at the total assessed valuation of taxable property. The valuations are subject to countywide revaluation every five years. The effective tax rate is based upon the previous year's total assessed valuation.

	2024 Tax Roll	2023 Tax Roll
Total assessed value	\$ 7,926,709,648	\$ 6,753,984,305
Less exemptions for:		
Individuals over 65/disabled	92,776,326	90,697,998
Community housing	-	4,254,805
Productivity valuations of open land space	295,612,597	219,669,855
Homestead cap exemption	391,829,663	300,532,863
Veterans exemption	57,209,660	45,047,270
Pollution control exemption	49,650,859	49,170,015
Freeport exemptions	160,756,942	138,752,880
Exempt	867,835,245	767,487,790
Abatement	220,116,531	219,705,138
Wind/solar power	1,097,456	494,088
Net assessed value	\$ 5,789,824,369	\$ 4,918,171,603
Tax rate (per \$100 valuation)	\$ 0.5080	\$ 0.4699

Inventories

Inventories consist of supplies and fuels held for consumption and are valued at cost on a first-in, first-out basis. Expenditures/expenses are recorded when consumed rather than when purchased.

Prepayments and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recognized as prepayments and deposits in both the government-wide and fund financial statements. The cost of these items is recorded as expenditures / expenses when consumed / provided rather than when paid.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund level balance sheets / statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City of Sherman, Texas

Notes to the Financial Statements

Transactions between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the government unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expenses in the fund reimbursed. All other nonreciprocal transactions between funds which are not reimbursements and where the funds do not receive equivalent goods or services for the transaction are classified as transfers.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at acquisition value at the time received. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

During fiscal year 2007, the City completed its inventory of general infrastructure assets (i.e., streets and storm water drains), beginning with assets put in use in 1980. The City was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each year, including infrastructure assets, they are capitalized and reported at historical cost.

Assets capitalized have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Right to use SBITA assets are amortized over the lesser of the contract or the useful life of the underlying asset. Estimated useful lives are as follows:

Assets	Years
Buildings	20 - 50
Water and sewer system	30 - 50
Machinery and equipment	5 - 10
Improvements	20
Other assets	10
Right-of-use: SBITA	contract term
Right-of-use: leases	lease term

Compensated Absences

The City's policy allows employees to accumulate earned, but unused vacation leave up to the number of days equal to a one-year accrual. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. Vacation accrual is considered a current liability since it must be used within a year or paid at separation, whichever is earlier.

City of Sherman, Texas

Notes to the Financial Statements

The City's policy allows employees to accumulate earned but unused sick leave on an unlimited basis. For non-civil service employees, accumulated sick leave lapses when the employees leave the City, and no monetary obligation exists. Civil service employees are entitled to be paid up to 135 and 90 days for fire and police civil service employees, respectively. An estimated portion of the sick leave liability is included in the current liability for compensated absences based on past experience.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to / deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for employees, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

TMRS Supplemental Death Benefits Fund

The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating municipality as a percentage of that City's covered payroll. The death benefit for retirees is considered an other postemployment benefit (OPEB). The OPEB program is an unfunded trust because the SDBF trust covers both actives and retirees and is not segregated. The Total OPEB Liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Retiree Insurance Plan

The City, through its substantive commitment to provide other post-employment benefits (OPEB) provides retiree medical coverage to eligible employees. To be eligible, a City employee retiring at age 62 or over must have at least 5 years of service with the City. City employees retiring before age 62 must have at least 20 years of service with the City. Retirees are required to pay the premium cost for both single and dependent coverage. The City also subsidizes certain retirees and dependents as a result of prior commitments. The plan qualifies as a single employer defined benefit plan and is accounted for in the City's Insurance Fund and in the fund where the retiree last worked. A separate financial statement is not issued for the plan.

City of Sherman, Texas

Notes to the Financial Statements

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources, either expenses or expenditures, until that time. The City reports the following items qualifying for this category:

- Deferred charges on refunding reported in the statements of net position - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price and is amortized over the shorter of the life of the refunded or refunding debt.
- Difference in expected and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions related to the pension and OPEB plan – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources, or revenues, until that time. The City reports the following items qualifying for reporting in this category:

- Difference in expected and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Changes in actuarial assumptions related to the OPEB plan – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Deferred unavailable revenues reported on the balance sheet of the governmental funds – A deferred amount is recorded for the billed revenues not yet collected or available. These amounts are deferred and recognized as inflow of resources in the period the amounts become available.

Long-term Obligations

In the government-wide, proprietary and component unit financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, long-term liabilities are not recorded in the governmental funds, as the payment of the obligations will not be made by current financial resources. The governmental fund financial statements recognize the proceeds of debt as other financing sources.

Subscription-Based IT Arrangements

The City is under contract for noncancellable subscription-based IT arrangements (SBITAs). The City recognizes a liability and an intangible right-to-use asset in the government-wide financial statements.

City of Sherman, Texas

Notes to the Financial Statements

At the commencement of a SBITA, the City initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) agreed upon payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancellable period of the SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Leases

The component unit is a lessee for noncancellable leases of office space. The component unit recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government- wide financial statements.

At the commencement of a lease, the component unit initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the component unit determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The component unit uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the component unit generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the component unit is reasonably certain to exercise.

The component unit monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

City of Sherman, Texas

Notes to the Financial Statements

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by an ordinance of the City Council – the government's most binding form of commitment. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance - This classification includes amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council authorizes an assignment of fund balance by directing the City Manager to assign the amounts or by delegating the authority to assign the amounts to the City Manager, such as for funds given to the City for a specific charitable purpose. Since no formal City Council action is taken for authorization of an assignment, no additional action is taken for its removal.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The City uses restricted amounts first when both restricted and unrestricted fund balance are available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when the expenditures are made.

The City's Fund Balance policy is to spend the funds with the most constraints first. Restricted fund balance is spent first, then committed fund balance, then assigned fund balance, and last of all, unassigned fund balance. The policy also sets 60 days of expenditures as the minimum amount of fund balance for the General, Utility and Solid Waste Funds. Furthermore, when fund balance falls below 60 days, the City will implement a replenishment plan. The policy also allows the City Council to use unassigned fund balance for capital needs to offset difficult economic times, to stabilize fluctuations in cash flow requirements, and to provide for emergencies.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

City of Sherman, Texas

Notes to the Financial Statements

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates. Actual amounts could differ from those estimates.

G. New Accounting Pronouncements

The City implemented the following standards during the fiscal year:

GASB Statement No. 100, Accounting Changes and Error Corrections (GASB 100), establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged.

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 101, Compensated Absences – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement becomes effective for the City in fiscal year 2025, and the impact has not yet been determined.

GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement becomes effective for the City in fiscal year 2025, and the impact has not yet been determined.

GASB Statement No. 103, Financial Report Model Improvements. The objective of this Statement is to establish new accounting and financial reporting requirements – or modify existing requirements – related to the following:

- Management's discussion and analysis
- Unusual or infrequent items
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position
- Information about major component units in basic financial statements
- Budgetary comparison information
- Financial trends information in the statistical section

This Statement becomes effective for the City in fiscal year 2026, and the impact has not yet been determined.

GASB Statement No. 104, Disclosure of Certain Capital Assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. This Statement becomes effective for the City in fiscal year 2026.

City of Sherman, Texas

Notes to the Financial Statements

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budget Policy and Practice

The City follows the procedures outlined below in establishing budgetary data reflected in the financial statements:

Annual budgets are legally adopted for all funds of the City. Fifty (50) days prior to the end of the fiscal year, the City Manager is required to submit to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed expenditures/expenses and the proposed method to finance them.

Dates for public hearings, the purpose of which are to obtain taxpayers' comments, are set by the City Council at the time the budget is submitted to that body. The City Council may add to, subtract from or change appropriations but may not change the form of the proposed budget. Any changes must be within the revenue and reserves estimated as available by the City Manager. Prior to September 25 of each year, the budget is legally enacted through the passage of an ordinance.

At any time during the fiscal year, the City Manager may move part or all of any unencumbered appropriation balance among the various departments or programs within each fund.

In the case where additional appropriations are required within a fund, the City Manager must seek approval of the City Council, who may, by resolution, increase that fund's appropriation.

Budget Basis of Accounting

The City prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Schedule of Revenues, Expenditures and Changes in Fund Balances –Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis in the General Fund is that sales tax is recorded when earned for GAAP and is recorded when received for budget. Unrealized investment gain (loss) is recognized for GAAP basis only.

B. Deficit Fund Equity

The Hotel-Motel, TIRZ#5, TIRZ#7, Equipment Services, and Information Technology Funds have a deficit fund balance of \$408,159, \$200,516, \$563,967, \$352,472, and \$41,622, respectively. These deficits will be addressed as part of the development of the Fiscal Year 2024-2025 budget.

City of Sherman, Texas

Notes to the Financial Statements

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

	Primary Government	Component Unit
Petty cash	\$ 6,430	\$ -
Bank deposits:		
Demand accounts	11,334,637	7,178,171
Times accounts	3,000,000	9,000,000
Total cash and deposits	<u>\$ 14,341,067</u>	<u>\$ 16,178,171</u>

Custodial Credit Risk is the risk that in the event of a bank failure, the City's deposits may not be returned, or the City will not be able to recover collateral securities in the possession of an outside party. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government Obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. At September 30, 2024, the City's deposit balance of \$14,341,067 and the Sherman Economic Development Corporation, a discretely presented component unit, balance of \$16,178,171 were both collateralized by FDIC insurance and with letters of credit issued by the Federal Home Loan Bank in the name of the respective entity.

Investments

The following schedule summarizes the City's investments as of September 30, 2024:

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity (Days)
Primary government:			
U.S. Treasury	\$ 9,611,173	AA+	563
Texas Subdivisions Municipal Obligations	7,750,718	A3 to AA+	500
U.S. Agencies	23,778,644	AA+	597
TexStar	3,833,279	AAAm	25
TexPool	49,687,894	AAAm	26
Common trust funds (corporate)	2,092,089	NR	
Total primary government	<u>96,753,797</u>		
Component Unit:			
TexPool	<u>11,198,773</u>	AAAm	26
Total component unit	<u>11,198,773</u>		
Total Value	<u><u>\$ 107,952,570</u></u>		

City of Sherman, Texas

Notes to the Financial Statements

The City has investments with two public funds investment pools as of September 30, 2024: the Texas Local Government Investment Pool (TexPool) and the Texas Short-term Asset Reserve Program (TexStar). These pools have been organized in conformity with the Interlocal Cooperation Act and the Public Funds Investment Act of the Texas Government Code. The Comptroller maintains oversight responsibility and has established an advisory board composed of both participants in the pool and other persons who do not have a business relationship with pool. The Advisory Board members review the investment policy and management fee structure.

Both pools state all investments at amortized cost, which generally approximates the fair value of the securities. Both pools submit their information to Standard & Poor's for ratings review. Deposits in this fund are not subject to custodial credit risk. The City does not have any limitations or restrictions on withdrawals from these pools.

In 1956, the City established a trust fund with the purpose to hold investments to provide income for the perpetual upkeep of the City's cemetery. The investments of the trust fund are administered by the trust company affiliated with a non-depository bank. The City's investments in the trust fund at September 30, 2024, are comprised of money market funds, exchange-traded funds and corporate equity and bond mutual funds. The investments are insured and held by the trustee in the City's name. The City has not imposed any restrictions on the investments selected by the trustee. These investments are carried at fair value as determined by market quotes.

Credit Risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. Investing is performed in accordance with the City's investment policy adopted by the City Council complying with state law and the City charter. City funds may be invested in: 1) fully insured time deposits; 2) obligations of the United States Treasury; 3) obligations of Agencies or Instrumentalities of the United States; 4) obligations of the State of Texas, or its political subdivisions, rated no lower than A; 5) investment pools with a continuous rating no lower than AAA; and 6) repurchase agreements. Under the City policy, the City may not invest in collateralized mortgage obligations, mutual funds, commercial paper and investment pools rated lower than AAA or who invest in prohibited investments under the City policy.

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. For direct investments, the City policy provides that investments and investment collateral is held by a third-party custodian with whom the City has a current custodial agreement in the City's name.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. However, the City's policy provides that investments to be purchased must have final maturities of five years or less.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investments in a single issuer. The City's policy does not place a limit on the amount that may be invested in any one issuer. This risk does not apply to U. S. Government Securities or investments in an external investment pool.

Foreign Currency Risk is the risk that an investment denominated in the currency of a foreign country could reduce its U. S. dollar value as a result of changes in foreign currency exchange fees. As of September 30, 2024, the City was not exposed to foreign currency risk.

City of Sherman, Texas

Notes to the Financial Statements

Investments - Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs.

The following schedule summarizes the City's investments that are measured at fair value on a recurring basis as of September 30, 2024:

Investment Type	Fair Value 9/30/24	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
U. S. Treasury	\$ 9,611,173	\$ 9,611,173	\$ -	\$ -
Texas subdivisions obligations	7,750,718	-	7,750,718	-
U. S. Agencies	23,778,644	-	23,778,644	-
Common trust funds	2,092,089	2,092,089	-	-
Total	\$ 43,232,624	\$ 11,703,262	\$ 31,529,362	\$ -

Each of the City's investments are categorized as Level 2, but the U.S. Treasury and perpetual care cemetery trust are classified as Level 1. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there isn't sufficient activity, and/or where price quotations vary substantially either over time or among market makers (some brokered markets, for example), or in which little information is released publicly. Level 2 inputs other than quoted prices that are observable for the asset(s) may include observable and commonly quoted interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, default rates, inputs that are derived principally from or corroborated by observable market data, and similar information. A Level 2 designation requires that all inputs and/or adjustments are observable and documentable in the marketplace.

City of Sherman, Texas
Notes to the Financial Statements

B. Receivables

Amounts recorded as receivable as of September 30, 2024, for the City's individual major funds, internal service funds, and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	General Improvement	Debt Service	Water and Sewer	Solid Waste	Internal Service	Nonmajor	Total
Receivables:								
Interest	\$ 107,912	\$ 29,515	\$ -	\$ 9,310	\$ 5,137	\$ -	\$ 3,642	\$ 155,516
Intergovernmental	66,430	-	-	-	-	-	150,115	216,545
Leases	-	-	-	502,170	-	-	49,584	551,754
Accounts	3,533,852	-	-	3,664,434	982,973	11,651	153,984	8,346,894
Unbilled accounts	-	-	-	1,544,598	139,952	-	-	1,684,550
Taxes	5,472,966	-	409,344	-	-	-	267,559	6,149,869
Gross receivables	9,181,160	29,515	409,344	5,720,512	1,128,062	11,651	624,884	17,105,128
Less: allowance for uncollectibles	(2,688,094)	-	(204,672)	(110,000)	(33,000)	-	(1,560)	(3,037,326)
Net total receivables	\$ 6,493,066	\$ 29,515	\$ 204,672	\$ 5,610,512	\$ 1,095,062	\$ 11,651	\$ 623,324	\$ 14,067,802

The Water and Sewer Fund and the Solid Waste Fund accounts receivable include unbilled charges for services rendered at September 30, 2024.

Governmental funds report unavailable revenue (a deferred inflow of resources) in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	General	Debt Service	Total
Delinquent property tax receivable	\$ 299,351	186,888	\$ 486,239
Court fines	114,113	-	114,113
Ambulance fees	436,552	-	436,552
Total governmental funds	\$ 850,016	\$ 186,888	\$ 1,036,904

City of Sherman, Texas
Notes to the Financial Statements

C. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications/ Transfers	Ending Balance
Governmental activities, excluding internal service funds:					
Capital assets not being depreciated/amortized:					
Land	\$ 8,063,853	\$ 1,332,794	\$ -	\$ -	\$ 9,396,647
Construction in progress	12,059,652	30,037,833	-	-	42,097,485
Total capital assets, not being depreciated/amortized	20,123,505	31,370,627	-	-	51,494,132
Capital assets, being depreciated/amortized:					
Buildings	31,704,023	309,187	-	-	32,013,210
Improvements other than buildings	136,569,071	16,089,728	(81,760)	-	152,577,039
Machinery and equipment	12,043,912	1,153,187	(1,118,308)	17,803	12,096,594
Other capital assets	1,406,832	-	-	-	1,406,832
SBITA	349,588	-	-	-	349,588
Total capital assets, being depreciated/amortized	182,073,426	17,552,102	(1,200,068)	17,803	198,443,263
Less accumulated depreciation/amortization:					
Buildings	(7,282,114)	(1,091,955)	-	-	(8,374,069)
Improvements other than buildings	(79,455,586)	(6,477,330)	81,760	-	(85,851,156)
Machinery and equipment	(7,784,878)	(836,866)	974,528	(17,803)	(7,665,019)
Other capital assets	(1,373,722)	(15,320)	-	-	(1,389,042)
SBITA	(80,144)	(125,280)	-	-	(205,424)
Total accumulated depreciation/amortization	(95,976,444)	(8,546,751)	1,056,288	(17,803)	(103,484,710)
Total capital assets, being depreciated/amortized, net	86,096,982	9,005,351	(143,780)	-	94,958,553
Governmental activities, excluding internal service funds, capital assets, net	\$ 106,220,487	\$ 40,375,978	\$ (143,780)	\$ -	\$ 146,452,685
Internal service funds:					
Capital assets not being depreciated/amortized:					
Land	\$ 55,250	\$ -	\$ -	\$ -	\$ 55,250
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated/amortized	55,250	-	-	-	55,250
Capital assets, being depreciated/amortized:					
Buildings	201,401	-	-	-	201,401
Improvements other than buildings	82,949	18,175	-	-	101,124
Machinery and equipment	31,811,356	5,206,697	(1,485,047)	24,128	35,557,134
Other capital assets	180,997	7,149	-	-	188,146
SBITA	247,794	-	-	-	247,794
Total capital assets, being depreciated/amortized	32,524,497	5,232,021	(1,485,047)	24,128	36,295,599
Less accumulated depreciation/amortization:					
Buildings	(159,931)	(7,314)	-	-	(167,245)
Improvements other than buildings	(17,258)	(6,150)	-	-	(23,408)
Machinery and equipment	(18,469,366)	(2,927,488)	1,476,710	(24,128)	(19,944,272)
Other capital assets	(131,681)	(12,493)	-	-	(144,174)
SBITA	(118,941)	(118,941)	-	-	(237,882)
Total accumulated depreciation/amortization	(18,897,177)	(3,072,386)	1,476,710	(24,128)	(20,516,981)
Total capital assets, being depreciated/amortized, net	13,627,320	2,159,635	(8,337)	-	15,778,618
Internal service fund capital assets, net	13,682,570	2,159,635	(8,337)	-	15,833,868
Governmental activities capital assets, net	\$ 119,903,057	\$ 42,535,613	\$ (152,117)	\$ -	\$ 162,286,553

City of Sherman, Texas

Notes to the Financial Statements

	Beginning Balance	Increases	Decreases	Reclassifications/ Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 2,928,321	\$ -	\$ -	\$ -	\$ 2,928,321
Water rights	6,400,892	-	-	-	6,400,892
Construction in progress	312,207	179,323	-	-	491,530
Total capital assets, not being depreciated/amortized	9,641,420	179,323	-	-	9,820,743
Capital assets, being depreciated/amortized:					
Buildings	4,419,040	65,116	-	-	4,484,156
Improvements other than buildings	68,393,549	7,545,956	-	-	75,939,505
Machinery and equipment	9,496,918	263,195	(539,923)	(41,931)	9,178,259
Other capital assets	163,979	-	-	-	163,979
SBITA	224,977	-	-	-	224,977
Total capital assets, being depreciated/amortized	82,698,463	7,874,267	(539,923)	(41,931)	89,990,876
Less accumulated depreciation/amortization:					
Buildings	(3,360,195)	(127,529)	-	-	(3,487,724)
Improvements other than buildings	(47,351,550)	(2,809,739)	-	-	(50,161,289)
Machinery and equipment	(7,473,740)	(387,716)	539,923	41,931	(7,279,602)
Other capital assets	(154,894)	(2,748)	-	-	(157,642)
SBITA	(49,992)	(74,992)	-	-	(124,984)
Total accumulated depreciation/amortization	(58,390,371)	(3,402,724)	539,923	41,931	(61,211,241)
Total capital assets, being depreciated/amortized, net	24,308,092	4,471,543	-	-	28,779,635
Business-type activities, capital assets, net	33,949,512	4,650,866	-	-	38,600,378
Total Primary Government	\$ 153,852,569	\$ 47,186,479	\$ (152,117)	\$ -	\$ 200,886,931
Component unit:					
Capital assets, not being depreciated/amortized:					
Land and improvements	\$ 7,202,427	\$ 70,742	\$ (421,948)	\$ -	\$ 6,851,221
Construction in progress	114,125	144,343	-	-	258,468
Total capital assets, not being depreciated/amortized	7,316,552	215,085	(421,948)	-	7,109,689
Capital assets, being depreciated/amortized:					
Equipment	18,490	-	-	-	18,490
Right-to-use - building	123,056	-	-	-	123,056
Accumulated depreciation	(37,435)	(42,579)	-	-	(80,014)
Total capital assets, being depreciated/amortized, net	104,111	(42,579)	-	-	61,532
Total component unit	\$ 7,420,663	\$ 172,506	\$ (421,948)	\$ -	\$ 7,171,221

City of Sherman, Texas

Notes to the Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 302,043
Public safety	1,548,602
Streets	5,799,789
Community services	896,317
Internal service funds	3,072,386
Total depreciation/amortization expense - governmental activities	\$ 11,619,137
Business-type activities:	
Water and sewer	\$ 3,257,645
Solid waste	145,079
Total depreciation/amortization expense - business-type activities	\$ 3,402,724

D. Long-term Debt

The following schedule summarizes the changes in long-term debt during the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of obligation	\$ 158,665,000	\$ -	\$ 4,495,000	\$ 154,170,000	\$ 4,340,000
Premium	7,620,430	-	307,245	7,313,185	-
Total certificates of obligation	166,285,430	-	4,802,245	161,483,185	4,340,000
Bonds payable	5,205,000	-	880,000	4,325,000	905,000
Premium	381,700	-	54,528	327,172	-
Total bonds payable	5,586,700	-	934,528	4,652,172	905,000
Tax notes	5,010,000	3,725,000	1,735,000	7,000,000	1,735,000
Tax note premium	371,022	275,234	138,125	508,131	-
Notes payable	1,259,383	-	728,493	530,890	441,067
SBITA	327,279	-	225,199	102,080	102,080
Compensated absences	5,275,426	3,922,380	3,001,272	6,196,534	2,902,909
Net pension liability	21,735,546	-	5,322,080	16,413,466	-
Total OPEB liability - retiree health plan	4,614,974	-	47,432	4,567,542	532,183
Total OPEB liability - SDBF	1,130,247	50,710	-	1,180,957	-
Governmental activities long-term debt	\$ 211,596,007	\$ 7,973,324	\$ 16,934,374	\$ 202,634,957	\$ 10,958,239
Business-type activities:					
Other long-term debt	\$ 1,939,673	\$ -	\$ 136,440	\$ 1,803,233	\$ 140,515
SBITA	100,506	-	49,568	50,938	50,938
Compensated absences	397,588	504,031	470,624	430,995	430,995
Net pension liability	5,299,219	-	1,297,546	4,001,673	-
Total OPEB liability - retiree health plan	1,125,150	-	11,564	1,113,586	129,748
Total OPEB liability - SDBF	275,559	12,363	-	287,922	-
Business-type activities long-term debt	\$ 9,137,695	\$ 516,394	\$ 1,965,742	\$ 7,688,347	\$ 752,196
Component unit:					
Leases	\$ 103,004	\$ -	\$ 40,363	\$ 62,641	\$ 41,477
Net pension liability	308,985	-	75,657	233,328	-
Total OPEB liability - retiree health plan	65,605	-	674	64,931	7,565
Total OPEB liability - SDBF	16,067	721	-	16,788	-
Component unit	\$ 493,661	\$ 721	\$ 116,694	\$ 377,688	\$ 49,042

City of Sherman, Texas

Notes to the Financial Statements

Interest expense totaled \$6,589,259 and \$58,091 for governmental and business-type activities, respectively. No interest was capitalized during the year ended September 30, 2024.

Proceeds from the issuance of tax notes and related premium are recorded in the General Improvement Fund (\$468,426), for governmental capital projects, and in the Fleet Replacement Fund (\$3,256,574) for fleet purchases made on behalf of all funds.

Certificates of Obligation

Certificates of obligation are comprised of the following issues at September 30, 2024:

Governmental Activities

\$6,970,000 Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2016, due in annual installments of \$290,000 to \$455,000 through 2036, interest at 2.0% to 3.0%, to pay contractual obligations for public works projects.	\$ 4,785,000
\$18,110,000 Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2017, due in annual installments of \$625,000 to \$1,295,000 through 2037, interest at 3.0% to 5.0%, to pay contractual obligations for public works projects.	13,850,000
\$3,900,000 Tax and Municipal Drainage Utility System Revenue Certificates of Obligation, Series 2017A, due in annual installments of \$130,000 to \$260,000, interest at 2% to 4% to pay contractual obligations for public works projects.	2,840,000
\$18,980,000 Combination Tax and Revenue Certificates of Obligation, Series 2018 due in annual installments of \$470,000 to \$1,155,000, interest at 3.25% to 5% for public works projects.	16,380,000
\$19,130,000 Combination Tax and Revenue Certificates of Obligation, Series 2019 due in annual installments of \$184,000 to \$1,165,000, interest at 3.00% to 5% for street improvements.	16,725,000
\$29,025,000 Combination Tax and Revenue Certificates of Obligation, Series 2021 due in annual installments of \$390,000 to \$1,330,000, interest at 2.00% to 5.00% for a new police department headquarters.	27,405,000
\$73,640,000 Combination Tax and Revenue Certificates of Obligation, Series 2023 due in annual installments of \$1,455,000 to \$4,540,000, interest at 4.00% to 5.00% for various city parks and facilities.	72,185,000
Total governmental activities	\$ 154,170,000

Debt service requirements for the certificates of obligation through maturity are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Totals
2025	\$ 4,340,000	\$ 6,225,438	\$ 10,565,438
2026	4,550,000	6,017,188	10,567,188
2027	4,760,000	5,802,338	10,562,338
2028	4,985,000	5,586,588	10,571,588
2029	5,098,624	5,357,350	10,455,974
2030-2034	29,261,376	23,663,463	52,924,839
2035-2039	30,060,000	18,147,806	48,207,806
2040-2044	28,485,000	12,754,800	41,239,800
2045-2049	23,090,000	7,562,100	30,652,100
2050-2053	19,540,000	2,253,963	21,793,963
Total	\$ 154,170,000	\$ 93,371,034	\$ 247,541,034

City of Sherman, Texas
Notes to the Financial Statements

Bonds Payable

Bonds payable is comprised of the following issue at September 30, 2024:

\$9,360,000 General Obligation Refunding Bonds, Series 2017, due in annual installments of \$65,000 to \$955,000 through 2030; interest at 2% to 4%.

\$ 4,325,000

Debt service requirements of bonds payable through maturity are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Totals
2025	\$ 905,000	\$ 172,350	\$ 1,077,350
2026	955,000	136,150	1,091,150
2027	890,000	97,950	987,950
2028	925,000	62,350	987,350
2029	650,000	27,300	677,300
Total	<u>\$ 4,325,000</u>	<u>\$ 496,100</u>	<u>\$ 4,821,100</u>

Tax Notes

The City issued \$1,980,000 of Limited Tax Notes, Series 2021. The note will be used for the purchase of equipment for various City facilities. The interest rates range from 3.125% to 4% and will mature in 2026. In the event of default, an acceleration clause goes into effect and the bonds become immediately due.

The City issued \$2,100,000 of Limited Tax Notes, Series 2022. The note will be used for the purchase of equipment for various City facilities. The interest rate is 5% and the note will mature in 2027. In the event of default, an acceleration clause goes into effect and the bonds become immediately due.

The City issued \$3,095,000 of Limited Tax Notes, Series 2023. The note will be used for the purchase of equipment for various City facilities. The interest rate is 5% and the note will mature in 2027. In the event of default, an acceleration clause goes into effect and the bonds become immediately due.

The City issued \$3,725,000 of Limited Tax Notes, Series 2024. The note will be used for the purchase of equipment for various City facilities. The interest rate is 5% and the note will mature in 2029. In the event of default, an acceleration clause goes into effect and the bonds become immediately due.

Debt service requirements of bonds payable through maturity are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Totals
2025	\$ 1,735,000	\$ 343,100	\$ 2,078,100
2026	1,815,000	259,750	2,074,750
2027	1,545,000	172,500	1,717,500
2028	1,220,000	95,250	1,315,250
2029	685,000	34,250	719,250
Total	<u>\$ 7,000,000</u>	<u>\$ 904,850</u>	<u>\$ 7,904,850</u>

City of Sherman, Texas

Notes to the Financial Statements

Notes Payable

The note payable is comprised of the following issue at September 30, 2024:

\$2,522,822 Note payable for the purchase of street department equipment (dump truck, mechanical sweeper, milling machine, roller, wheel excavator, wheel loader, concrete paver and trailer) and a tactical rescue truck for the fire department, due in quarterly installments of \$102,739 through 2025, interest at 3.78%	\$	182,506
\$1,418,810 Note payable for the purchase of street department equipment (motor grader, split drum roller, flip screen attachment, pneumatic roller, paver, & skid steer), due in quarterly installments of \$45,391 through 2026, interest at 2.84%		265,702
\$794,090 Note payable for the purchase of a pumper and police vehicles, due in quarterly installments of \$41,515 through 2025, interest at 1.78%		82,682
Total governmental activities	\$	530,890

Debt service requirements for notes payable through maturity are as follows:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Totals
2025	\$ 441,067	\$ 8,779	\$ 449,846
2026	89,823	959	90,782
Total	\$ 530,890	\$ 9,738	\$ 540,628

The City's direct borrowings (notes payable) related to governmental and business-type activities are secured with equipment as collateral.

SBITA Obligations

A summary of subscription payables as of September 30, 2024, are as follows:

Purpose of Lease	Interest Rate	Initial Year of SBITA	Amount of Initial Liability	Interest Current Year	Amounts Outstanding 9/30/2024	Amounts Due Within One Year
SBITA:						
Brightly	2.26%	2022	\$ 48,725	\$ 587	\$ 13,187	\$ 13,187
Civic Clerk	2.73%	2023	32,616	826	16,900	16,900
Headlight	2.73%	2023	39,333	996	20,187	20,187
Neo Gov	2.73%	2023	98,633	1,581	51,806	51,806
Total			\$ 219,307	\$ 3,990	\$ 102,080	\$ 102,080

City of Sherman, Texas
Notes to the Financial Statements

	Year Ended September 30,	Governmental Activities		
		Principal	Interest	Totals
	2025	\$ 102,080	\$ 2,758	\$ 104,838
Total		<u>\$ 102,080</u>	<u>\$ 2,758</u>	<u>\$ 104,838</u>

Purpose of Lease	Interest Rate	Initial Year of SBITA	Amount of Initial Liability	Interest Current Year	Amounts Outstanding 9/30/2024	Amounts Due Within One Year
SBITA: Rubicon	2.73%	2023	\$ 100,506	\$ 2,778	\$ 50,938	\$ 50,938
Total			<u>\$ 100,506</u>	<u>\$ 2,778</u>	<u>\$ 50,938</u>	<u>\$ 50,938</u>

	Year Ended September 30,	Business-type Activities		
		Principal	Interest	Totals
	2025	\$ 50,938	\$ 1,408	\$ 52,346
Total		<u>\$ 50,938</u>	<u>\$ 1,408</u>	<u>\$ 52,346</u>

Leases

A summary of lease payables as of September 30, 2024, are as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Liability	Interest Current Year	Amounts Outstanding 9/30/2024	Amounts Due Within One Year
Lease: Right to use building	2.26%	2023	\$ 123,056	\$ 2,309	\$ 62,641	\$ 41,477
Total			<u>\$ 123,056</u>	<u>\$ 2,309</u>	<u>\$ 62,641</u>	<u>\$ 41,477</u>

	Year Ended September 30,	Component Unit		
		Principal	Interest	Totals
2025		\$ 41,477	\$ 1,195	\$ 42,672
2026		21,164	168	21,332
Total		<u>\$ 62,641</u>	<u>\$ 1,363</u>	<u>\$ 64,004</u>

Other Long-Term Payable

During the year ended September 30, 2006, the City contracted with the U. S. Army Corp of Engineers for the remaining 11,600 acre-feet of water supply storage allocated to the City of Sherman in Lake Texoma. Annual payments are due with interest rates being adjusted at five-year intervals; the current annual payment is \$194,531. The balance outstanding at September 30, 2024, is \$1,803,233.

City of Sherman, Texas

Notes to the Financial Statements

Debt service requirements at September 30, 2024, for the long-term payable through maturity are as follows:

Year Ended September 30,	Business-type Activities Texoma Water Rights Series 2006		
	Principal	Interest	Totals
2025	\$ 140,515	\$ 54,016	\$ 194,531
2026	144,724	49,807	194,531
2027	149,059	45,472	194,531
2028	153,525	41,007	194,532
2029	158,123	36,408	194,531
2030-2034	864,568	108,089	972,657
2035	192,719	5,773	198,492
Total	\$ 1,803,233	\$ 340,572	\$ 2,143,805

Accrued Compensated Absences

Accrued compensated absences (vested sick and vacation leave) are payable from the fund responsible for the employee's compensation. Of the liability attributed to governmental activities at September 30, 2024, significantly all is payable from the General Fund.

Net Pension Liability and Total Other Post Employment Benefit (OPEB) Liabilities

When these liabilities are liquidated for governmental activities, the General Fund will be primarily responsible.

E. Interfund Transfers and Balances

Transfers between funds during the year were as follows:

Transfers Out	Transfers In				Total
	General Fund	General Improvement	Debt Service	Water and Sewer	
General fund	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
General improvements	50,516	-	-	-	50,516
Nonmajor governmental	59,000	2,900,000	1,075,000	200,000	4,234,000
Water and sewer	3,456,458	-	-	-	3,456,458
Solid waste	1,394,457	-	-	238,092	1,632,549
Internal service	45,040	-	-	-	45,040
Total	\$ 5,005,471	\$ 3,900,000	\$ 1,075,000	\$ 438,092	\$ 10,418,563

Transfers were used to 1) allocate funds from the Water and Sewer Fund and Solid Waste Fund for general, administrative and franchise costs; 2) move funds from the Impact Fee funds, Stormwater Fund and the Hotel Tax Fund for debt service payments and capital projects; 3) transfer funds to the Hotel Tax Fund for various programs; 4) fund capital projects in the General Improvement Fund; 5) fund a right-of-way agent in the General Fund from the General Improvement Fund; 6) reimburse the Water and Sewer Fund for TIRZ projects; 7) reimburse the General Fund for a Municipal Court truancy clerk; and 8) reimburse the General Fund for debt service on Tax Notes for equipment purchased for other funds.

City of Sherman, Texas

Notes to the Financial Statements

Interfund balances at September 30, 2024 consisted of the following receivables and payables:

Due to Other Funds	Due from Other Funds		Total	Purpose
	Internal Service Fund	General Fund		
Nonmajor governmental	\$ 1,683,086	\$ 80,638	\$ 1,763,724	Pooled cash overdraft
Internal service	-	183,669	183,669	Pooled cash overdraft
Total	\$ 1,683,086	\$ 264,307	\$ 1,947,393	

All of the above balances are expected to be repaid within one year.

Note 4. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. Except for health insurance, the City carries commercial insurance for all risks of loss. The City has not made any significant reductions in insurance coverage from the prior year and there have been no settlements which exceeded insurance coverage during any of the past three fiscal years.

Workers' Compensation, Liability and Property Insurance

The City participates in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for workers' compensation claims, liability (general, automobile, law enforcement, and errors/omissions), and property insurance. The TMLIRP is a public entity risk pool currently operating as a common risk management and insurance program. The risk pool is self-sustaining through member contributions and reinsures through commercial companies for claims in excess of predetermined acceptable risk levels. Each department receives an allocation for the premium amount contributed to the pool. This cost is based on the pool's claims cost, which is adjusted to reflect the City's individual claims experience. Automobile claims are paid up to the actual cash value of the covered automobile. All other insured claims are paid at replacement cost.

B. Health Insurance

The City contracts with an insurance carrier to administer a self-insured health and dental insurance plan. This plan is funded by charges to other funds and charges to employees for extended benefits at their option. For the year ended September 30, 2024, total City and employee contributions to the plan were \$6,835,145. Benefit payments, insurance premiums and administrative fees aggregated \$6,939,448. The cumulative net position was \$1,408,446 at September 30, 2024.

The transactions of the self-insurance plan are reported in the Insurance Internal Service Fund. The City pays a specified monthly amount for each employee and a portion of an employee's dependent coverage which averages approximately \$920. The largest portion of this amount is dedicated to the direct payment of claims. The remaining part of the monthly amount is dedicated to the payment of administrative fees and commercial insurance for excess claims. The commercial insurance coverage becomes effective when the claims exceed the maximum amount per employee.

City of Sherman, Texas

Notes to the Financial Statements

The liability for insurance claims is based on Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Accordingly, the insurance claims liability includes an estimate for incurred but not reported claims. All claims are expected to be settled within one year and have not been discounted due to their short-term nature and the immaterial effect of discounting the liability.

The following presentation shows the changes in claims liabilities for the years ended September 30, 2024 and 2023:

	2024	2023
Amount of claims liability - October 1	\$ 473,126	\$ 523,049
Incurred claims	5,697,862	4,749,349
Payments on claims	(5,370,167)	(4,799,272)
Amount of claims liability - September 30 (due within one year)	\$ 800,821	\$ 473,126

C. Landfill Closure and Postclosure Care Costs

The Cities of Sherman and Denison contracted with the Greater Texoma Utility Authority (GTUA) for use of the Dripping Springs landfill. The City owns the permitted area, but GTUA is responsible for the operation and maintenance. This landfill was considered full at September 30, 1993, for financial reporting purposes and a liability was recognized by GTUA based on the future landfill closure and post closure care cost estimates. The City is financially obligated for a portion of these costs related to gas and ground water monitoring. To date, the City has paid \$1,144,839. These costs are expected to significantly decline in the near future and long-term costs cannot be reasonably estimated.

D. Commitments

Greater Texoma Utility Authority

The City has entered into various contracts with the Greater Texoma Utility Authority (GTUA), whereby GTUA provides water and sewer services to the City. As part of the contractual agreements, GTUA issues debt for the benefit of the City, the proceeds of which are used to finance construction of water and sewer facilities and infrastructure within the City. Although this debt is not that of the City, the City is contractually obligated for the repayment of principal and interest on the debt through a pledging of water and sewer revenues.

During the year ended September 30, 2024, the City paid \$7,166,360 to GTUA in accordance with these contracts. Future payments under these contracts average approximately \$45,000,000 per year for the next 30 years.

City of Sherman, Texas
Notes to the Financial Statements

A summary of the remaining debt service as of September 30, 2024, is as follows:

Year Ended September 30,	Principal	Interest	Totals
2025	\$ 5,575,960	\$ 4,381,986	\$ 9,957,946
2026	5,707,440	22,172,859	27,880,299
2027	10,813,920	33,628,746	44,442,666
2028	16,180,400	33,224,468	49,404,868
2029	16,876,880	32,552,643	49,429,523
2030-2034	94,825,960	151,356,902	246,182,862
2035-2039	116,650,000	128,461,988	245,111,988
2040-2044	138,025,000	99,688,747	237,713,747
2045-2049	172,120,000	64,443,781	236,563,781
2050-2054	180,745,000	21,454,225	202,199,225
Total	\$ 757,520,560	\$ 591,366,345	\$ 1,348,886,905

Following is an excerpt from the audited financial statements of GTUA, reflecting the balances as of and for the year ended September 30, 2024. These assets, deferred outflows of resources, liabilities, and net position are not that of the City but are the City's allocation of resources held by GTUA.

Comparative Schedule of Revenues and Expenses:

	2024	2023
Operating Revenues		
Charges for services	\$ 7,067,922	\$ 6,613,728
Total operating revenues	7,067,922	6,613,728
Operating expenses		
General and administrative	545,763	301,781
Maintenance and repair	223,438	207,692
Depreciation	5,139,945	4,796,166
Total operating expenses	5,909,146	5,305,639
Operating income (loss)	1,158,776	1,308,089
Nonoperating revenue (expenses)	(2,442,598)	(4,167,744)
Change in net position	\$ (1,283,822)	\$ (2,859,655)

City of Sherman, Texas
Notes to the Financial Statements

Schedule of Net Position:

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,165,517	\$ 1,476,077
Interest receivable	8,904,065	4,200,952
Due from other governments	11,071	52,861
Due from other funds	1,437,489	298,846
Restricted assets:		
Cash and cash equivalents	128,133,850	136,692,750
Temporary investments	301,139,845	233,297,070
Total current assets	449,791,837	376,018,556
Noncurrent assets:		
Cash and cash equivalents	10,448	5,531,848
Temporary investments	2,332,000	45,586,839
Capital assets (net)	316,118,012	101,640,625
Total noncurrent assets	318,460,460	152,759,312
Total assets	768,252,297	528,777,868
Deferred Outflows of Resources		
Deferred loss on refunding	168,170	184,785
Liabilities		
Current liabilities:		
Accounts payable	38,957,942	6,994,332
Retainage payable	8,926,881	834,892
Accrued interest payable	15,677,455	6,330,315
Revenue bonds payable	5,195,000	5,075,000
Total current liabilities	68,757,278	19,234,539
Long-term liabilities:		
Revenue bonds payable	694,532,593	503,313,696
Total liabilities	763,289,871	522,548,235
Net position		
Net investment in capital assets	279,461	1,184,149
Restricted - debt service	10,448	5,531,848
Unrestricted	4,840,687	(301,579)
Total net position	\$ 5,130,596	\$ 6,414,418

City of Sherman, Texas

Notes to the Financial Statements

Grant Programs

The City participates in several federal and state assisted grant programs. Under the terms of these grants, the City is subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. If future program compliance audits result in questioned or disallowed costs, reimbursements would be made to the grantor agencies. The amounts of expenditures which might be disallowed by the grantor agencies cannot be determined at this time; however, management believes such amounts, if any, would be immaterial.

Encumbrances

The City employs encumbrance accounting under which obligations in the form of purchase orders, contracts and other commitments for the expenditure of funds are reported as committed fund balances since they do not constitute expenditures or liabilities. Appropriations with outstanding commitments or encumbrances are carried into the following year.

The City had the following encumbrances at September 30, 2024:

	General	General Improvement	Nonmajor Governmental
General government	\$ 12,254,039	\$ -	\$ -
Public safety	3,092,977	-	1,300
Streets	81,279	-	-
Community services	643,917	-	-
General improvements	-	4,212,579	-
Total	\$ 16,072,212	\$ 4,212,579	\$ 1,300

Component Unit

SEDCO entered into incentive agreements with various companies in Sherman to promote economic development. Under these agreements, SEDCO has agreed to pay amounts ranging from \$50,000 to \$20,060,000 to each of the individual companies if the companies meet certain requirements by a specified date. Total payments for the fiscal year 2024 under these agreements were \$717,117. Potential payments for these agreements are estimated at \$7,553,734 for the fiscal year ending September 30, 2025.

City of Sherman, Texas

Notes to the Financial Statements

SEDCO has contracted with the City of Sherman to fund the City's debt service on the construction of certain infrastructure projects, including water and sewer lines along the west and east sides of Highway 75, sewer lines along Highway 289, sewer lines to Blalock Industrial Park, northbound entrance/exit ramps near Highway 75 and FM 1417, the Northgate Drive extension and other road projects in the industrial park. During the year ended September 30, 2024, SEDCO paid \$1,236,537 to the City of Sherman in accordance with these contracts. Future payments under this contract average \$819,648 over the next 29 years. A summary of the remaining debt service as of September 30, 2024, is as follows:

Year Ended September 30,	Principal	Interest	Totals
2025	\$ 600,264	\$ 644,075	\$ 1,244,339
2026	621,042	620,748	1,241,790
2027	644,627	596,775	1,241,402
2028	477,028	572,149	1,049,177
2029	499,016	553,512	1,052,528
2030-2034	2,602,160	2,438,804	5,040,964
2035-2039	1,648,121	1,893,723	3,541,844
2040-2044	1,865,267	1,476,582	3,341,849
2045-2049	2,381,177	961,268	3,342,445
2050-2053	2,369,961	303,483	2,673,444
Total	\$ 13,708,663	\$ 10,061,119	\$ 23,769,782

Construction Commitments

The City has active construction projects as of September 30, 2024. The projects include new street design and construction in developing areas, drainage improvements, park facilities and improvements, consolidation of Fire Stations No. 1 and 2 and city hall design and renovation. At year end, the City's commitments with contractors are as follows:

	Spent-to-Date	Remaining Commitment
Drainage improvements	\$ -	\$ 500,000
New street design and construction	122,259	232,430
Construction of new or remodeled city building facilities	5,051,047	7,055,133
Park facilities	846,641	1,465,052
Grand total	\$ 6,019,947	\$ 9,252,615

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

City of Sherman, Texas

Notes to the Financial Statements

E. Tax Abatements

The City of Sherman is authorized by the Texas Local Government Code to enter into property tax abatement agreements and to offer a range of incentives designed to promote local economic development. For the year ended September 30, 2024, the City abated property taxes of \$1,118,193 or 0.24% of the \$470,284,408 market valuation of properties under these agreements. In accordance with these laws, the City has passed resolutions that establish guidelines and criteria for the administration of the following programs:

Industrial and Commercial Tax Reinvestment Incentives Texas Local Government Code Chapter 312

The City enters into property tax abatement agreements for industrial and commercial entities as stimulation for economic development in Sherman. The impact is based directly on the number and type of jobs created or retained, wages paid, value and economic life of real and personal property added to the tax rolls, local purchase of products and services, indirect employment gains and the general benefit of furthering the City's economic development. Once the industrial or commercial property is added to the tax rolls, the agreements generally call for five to ten years of property tax abatement ranging from 25% to 100%. Some agreements require commitments to create and maintain certain levels of full-time employment. Recapture provisions vary based on each agreement. Many of these agreements are granted in conjunction with other local taxing entities; however, each is approved separately by their governing boards. All abatements under this program for fiscal year 2024 are presented in the following table.

Economic Development Agreements Texas Local Government Code Chapter 380

The City enters into economic development agreements authorized under Chapter 380 with qualifying companies to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of Sherman. These agreements are tailored to company needs and offer a range of incentives designed to achieve the goals of the program. Grants based on a percentage of City taxes with terms ranging from 36% to 64% for five to ten years have been executed under the program, with no recapture provisions. All abatements under this program for fiscal year 2024 are presented in the following table.

Residential Tax Abatement Program Texas Local Government Code Chapter 312

The City's Residential Tax Abatement Program provides property tax abatements for development or redevelopment of single-family residential structures within new or existing subdivisions in low-to-moderate income locations as a stimulus for economic development in Sherman. The abatements equal 100% of the property taxes on the added value above the base year value (as determined by the Grayson Appraisal District) for six years, 80% in year seven, 60% in year eight, 40% in year nine and 20% in year ten. There are no provisions for recapturing taxes abated in prior years. Tax abatements for this program have been aggregated for presentation purposes in the following table.

City of Sherman, Texas

Notes to the Financial Statements

Central Business District Tax Abatement Program Texas Local Government Code Chapter 312

The City enters into property tax abatement agreements to promote development or redevelopment through modernization or new construction of commercial structures with improvements valued in excess of \$25,000 in the Central Business District of Sherman. Property tax abatement agreements under this program generally call for abatements of 100% for five years with no provision to recapture taxes abated in prior years. No property tax abatements were granted under this program for fiscal year 2024.

Tax Abatement Program	Purpose	Recapture Provisions	Tax Revenue for Fiscal Year 2023
Industrial and Commerical Reinvestment Incentives:			
Panda Sherman Power, LLC	Development and construction of electric generation facility	None	\$ 668,121
Texas Instruments	Warehousing equipment	None	24,165
Finisar Sherman RE HOLDCO LLC	Building and facility improvements, equipment and machinery	None	387,132
West Moore Solar II LLC	Building and facility improvements, equipment and machinery	None	16,196
Total Industrial and Commerical Reinvestment Incentives			1,095,614
Economic Development Agreements Chapter 380 Incentives:			
Riverside (East) Homebuilders, Ltd.	Building and facility improvements, equipment and machinery	None	23
Broadstone Net Lease, LLC	Building and facility improvements, equipment and machinery	None	2,032
Super Shack LLC	Building and facility improvements, equipment and machinery	None	4,153
58 Aggie Development LLC	Building and facility improvements, equipment and machinery	None	48,908
Various	Main Street Rebate Program	None	120,813
Total Economic Development Agreements Chapter 380 Incentives			175,929
Residential Tax Abatement Program	Residential development and redevelopment in low to moderate income locations	None	22,578
Total Tax Abatements			\$ 1,294,121

Joint Venture

The City has entered an agreement with the Cities of Denison and Gainesville and the Counties of Grayson and Cooke to form the Texoma Area Solid Waste Authority (TASWA). TASWA was organized in July 2000 for the purpose of aiding, assisting and acting on behalf of the participating entities in the financing, construction, ownership and operation of a Type I Municipal Solid Waste Landfill Facility.

TASWA began operation of the landfill during fiscal year 2006. Under the terms of the agreement, TASWA established fees for the member Cities (Sherman, Denison and Gainesville), who have pledged to deliver a guaranteed annual tonnage to the landfill facility. The fees may be recalculated to include changes in debt service requirements or estimated operational and postclosure expenses. According to its operational plan, there will be no significant accumulation of equity in TASWA by the participating governments.

City of Sherman, Texas

Notes to the Financial Statements

A copy of TASWA's audited financial statements may be obtained directly from TASWA:

Texoma Area Solid Waste Authority, Inc. 20590 State Highway 56, Whitesboro, Texas 76273-4993
Phone: 903-564-4749

F. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all fulltime employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the property of the beneficiary.

G. Net Pension and Total OPEB Liabilities and Expenses

Amounts are aggregated into a single net pension liability and total OPEB liabilities, and expenses for certain columns. Below is the detail of the net pension liability and total OPEB liabilities and expenses for governmental and business-type activities.

	Governmental Activities	Business-type Activities	Totals	Component Unit
Deferred outflows:				
Net pension	\$ 8,521,320	\$ 2,077,534	\$ 10,598,854	\$ 121,136
OPEB - Retiree health plan	531,262	129,524	660,786	7,552
OPEB - TMRS supplemental death benefit	208,271	50,778	259,049	2,961
Total OPEB deferred outflows	739,533	180,302	919,835	10,513
Total deferred outflows	9,260,853	2,257,836	11,518,689	131,649
Net pension liability	16,413,466	4,001,673	20,415,139	233,328
Total OPEB liability:				
OPEB - Retiree health plan	4,567,542	1,113,586	5,681,128	64,931
OPEB - TMRS supplemental death benefit	1,180,957	287,922	1,468,879	16,788
Total OPEB liability	5,748,499	1,401,508	7,150,007	81,719
Deferred inflows:				
Net pension	678,406	165,399	843,805	9,644
OPEB - Retiree health plan	1,772,017	432,025	2,204,042	25,190
OPEB - TMRS supplemental death benefit	471,759	115,017	586,776	6,706
Total OPEB deferred outflows	2,243,776	547,042	2,790,818	31,896
Total deferred inflows	2,922,182	712,441	3,634,623	41,540
Pension expense	3,685,758	898,603	4,584,361	52,396
OPEB expense:				
OPEB - Retiree health plan	75,757	18,470	94,227	1,077
OPEB - TMRS supplemental death benefit	28,203	6,877	35,080	401
Total OPEB expense	\$ 103,960	\$ 25,347	\$ 129,307	\$ 1,478

City of Sherman, Texas

Notes to the Financial Statements

H. Defined Benefit Pension Plan

Plan Description

The City participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmrs.com*.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options.

Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2000, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employ match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2006, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

Plan provisions for the City were as follows:

	Plan Year 2023	Plan Year 2022
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	30% of CPI repeating	30% of CPI repeating

City of Sherman, Texas

Notes to the Financial Statements

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit:	378
Inactive employees entitled to but not yet receiving benefits	283
Active employees	516
Total	1,177

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.09% and 13.69% in calendar years 2024 and 2023, respectively. The City and the Component Unit's contributions to TMRS for the year ended September 30, 2024, were \$5,595,392, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

City of Sherman, Texas

Notes to the Financial Statements

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the shortterm and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	35.0%	6.7%
Core fixed income	6.0%	4.7%
Non-core fixed income	20.0%	8.0%
Other public and private markets	12.0%	8.0%
Real estate	12.0%	7.6%
Hedge funds	5.0%	6.4%
Private equity	10.0%	11.6%
Total	100.0%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

City of Sherman, Texas
Notes to the Financial Statements

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2022	\$ 177,296,937	\$ 149,953,187	\$ 27,343,750
Changes for the year:			
Service cost	5,887,123	-	5,887,123
Interest (on the total pension liability)	11,860,725	-	11,860,725
Difference between expected and actual experience	1,165,662	-	1,165,662
Change in assumptions	(830,792)	-	(830,792)
Contributions - employer	-	5,002,771	(5,002,771)
Contributions - employee	-	2,558,030	(2,558,030)
Net investment income	-	17,328,382	(17,328,382)
Benefit payments, including refunds of employee contributions	(9,052,113)	(9,052,113)	-
Administrative expense	-	(110,411)	110,411
Other	-	(771)	771
Net changes	9,030,605	15,725,888	(6,695,283)
Balance at December 31, 2023	\$ 186,327,542	\$ 165,679,075	\$ 20,648,467
City	\$ 184,222,037	\$ 163,806,898	\$ 20,415,139
Component Unit	2,105,505	1,872,177	233,328
	\$ 186,327,542	\$ 165,679,075	\$ 20,648,467

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability (asset)	\$ 45,413,749	\$ 20,648,467	\$ 191,564
City	\$ 44,900,573	\$ 20,415,139	\$ 189,399
Component Unit	513,176	233,328	2,165
	\$ 45,413,749	\$ 20,648,467	\$ 191,564

City of Sherman, Texas
Notes to the Financial Statements

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,293,479	\$ 206,573
Changes in actuarial assumptions	-	637,232
Difference between projected and actual investment earnings	4,052,421	-
Contributions subsequent to the measurement date	4,252,954	-
Totals	\$ 10,598,854	\$ 843,805

At September 30, 2024, the Component Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Component Unit

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,212	\$ 2,361
Changes in actuarial assumptions	-	7,283
Difference between projected and actual investment earnings	46,316	-
Contributions subsequent to the measurement date	48,608	-
Totals	\$ 121,136	\$ 9,644

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$4,252,954 will be recognized as a reduction of the NPL for the year ended September 30, 2025 for the City.

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$48,608 will be recognized as a reduction of the NPL for the year ended September 30, 2025 for the Component Unit.

City of Sherman, Texas

Notes to the Financial Statements

Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City recognized pension expense of \$4,584,361 and \$52,396 for the component unit.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

City	
Year Ending September 30,	Pension Expense
2025	\$ 1,591,764
2026	1,939,562
2027	3,361,642
2028	(1,390,873)
Totals	\$ 5,502,095

Component Unit	
Year Ending September 30,	Pension Expense
2025	\$ 18,193
2026	22,168
2027	38,421
2027	(15,898)
Totals	\$ 62,884

I. Other Postemployment Benefits

Plan Description. The City, through its substantive commitment to provide other postemployment benefits (OPEB) provides retiree medical coverage to eligible employees. To be eligible, a City employee retiring at age 62 or over must have at least 5 years of service with the City. City employees retiring before age 62 must have at least 20 years of service with the City. Retirees are required to pay the premium cost for both single and dependent coverage. The City also subsidizes certain retirees and dependents as a result of prior commitments. The plan qualifies as a single employer defined benefit plan and is accounted for in the City's Insurance Fund and in the fund where the retiree last worked. A separate financial statement is not issued for the plan and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Contributions. The City and Component Unit's contributions to the OPEB for the year ended September 30, 2024 were \$568,368, which equal benefit payments for retirees.

The number of employees currently covered by the benefit terms is as follows:

Inactive plan members or beneficiaries currently receiving benefits	42
Active employees	486
Total	528

City of Sherman, Texas

Notes to the Financial Statements

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Salary increases	3.60% to 11.85%, including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2022 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health care trend rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	25% for retirement ages between 50 and 65; 0% for employees who retire before the age of 50 or after the age of 65.
Discount rate	The discount rate changed from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point.

Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A Single Discount Rate of 4.05% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023.

Changes in the Total OPEB Liability

The City's total OPEB liability of \$5,746,059 was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2022.

Balance at December 31, 2022	\$ 5,805,729
Changes for the year:	
Service cost	231,277
Interest on the total liability	227,941
Difference between expected and actual experience	188,069
Changes in assumptions or other inputs	(120,589)
Benefit payments	(586,368)
Net changes	(59,670)
Balance at December 31, 2023	\$ 5,746,059
City	\$ 5,681,128
Component Unit	64,931
	\$ 5,746,059

City of Sherman, Texas

Notes to the Financial Statements

Changes of assumptions reflect a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023, lowering the participation rates and the dependent coverage assumption for females, and updates to the health care trend assumption to reflect the plan's anticipated experience.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB liability	\$ 6,284,466	\$ 5,746,059	\$ 5,274,633
City	\$ 6,213,451	\$ 5,681,128	\$ 5,215,030
Component Unit	71,015	64,931	59,603
	<u>\$ 6,284,466</u>	<u>\$ 5,746,059</u>	<u>\$ 5,274,633</u>

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	\$ 5,165,270	\$ 5,746,059	\$ 6,432,007
City	\$ 5,106,902	\$ 5,681,128	\$ 6,359,325
Component Unit	58,368	64,931	72,682
	<u>\$ 5,165,270</u>	<u>\$ 5,746,059</u>	<u>\$ 6,432,007</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$94,227 and \$1,077 for the Component Unit.

At September 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 239,774	\$ 1,016,039
Changes in actuarial assumptions and other inputs	184,078	1,188,003
Contributions made subsequent to the measurement date	236,934	-
Totals	<u>\$ 660,786</u>	<u>\$ 2,204,042</u>

City of Sherman, Texas

Notes to the Financial Statements

At September 30, 2024, the Component Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,740	\$ 11,612
Changes in actuarial assumptions and other inputs	2,104	13,578
Contributions subsequent to the measurement date	2,708	-
Total	\$ 7,552	\$ 25,190

\$236,934 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2025.

\$2,708 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the Component Unit paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2025.

Other amounts of the reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

City	
Year Ending September 30,	
2025	\$ (359,804)
2026	(365,832)
2027	(280,776)
2028	(243,893)
2029	(230,067)
Thereafter	(299,818)
Totals	\$ (1,780,190)

Component Unit	
Year Ending September 30,	
2025	\$ (4,112)
2026	(4,181)
2027	(3,209)
2028	(2,788)
2029	(2,629)
Thereafter	(3,427)
Totals	\$ (20,346)

City of Sherman, Texas

Notes to the Financial Statements

J. Defined Other Postemployment Benefit Plans

TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a single-employer defined benefit Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees currently receiving benefits	259
Inactive employees entitled to but not yet receiving benefits	51
Active employees	516
Total	826

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.33% for 2024 and 0.35% for 2023, of which 0.15% and 0.17% represented the retiree-only portion for each year, respectively, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2024 and 2023 were \$61,861 and \$59,003, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability

The City's total OPEB liability of \$1,485,667 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The City's total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per annum
Discount rate	3.77%
Actuarial cost method	Entry age normal
Projected salary increases	3.60% to 11.85% including inflation

City of Sherman, Texas

Notes to the Financial Statements

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, 2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females were used. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 3.77% was used to measure the Total OPEB Liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2023.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB liability	\$ 1,758,722	\$ 1,485,667	\$ 1,269,850
City	\$ 1,738,848	\$ 1,468,879	\$ 1,255,501
Component Unit	19,874	16,788	14,349
	<u>\$ 1,758,722</u>	<u>\$ 1,485,667</u>	<u>\$ 1,269,850</u>

City of Sherman, Texas
Notes to the Financial Statements

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2022	\$ 1,421,873
Changes for the year:	
Service cost	47,506
Interest	57,290
Difference between expected and actual experience	(48,818)
Changes of assumptions and other inputs	69,940
Benefit payments	(62,124)
Net changes	63,794
Balance at December 31, 2023	\$ 1,485,667
City	\$ 1,468,879
Component Unit	16,788
	\$ 1,485,667

Changes in assumptions and other inputs reflect a change in the discount rate from 4.05% to 3.77%.

OPEB Expense and Deferred Outflows of Resources Related to OPEB. For the year ended September 30, 2024, the City recognized OPEB expense of \$35,080 and \$401 for the component unit. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 138,796
Changes in actuarial assumptions and other inputs	213,772	447,980
Contributions made subsequent to the measurement date	45,277	-
Totals	\$ 259,049	\$ 586,776

City of Sherman, Texas

Notes to the Financial Statements

At September 30, 2024, the Component Unit reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,586
Changes in actuarial assumptions and other inputs	2,444	5,120
Contributions made subsequent to the measurement date	517	-
Totals	\$ 2,961	\$ 6,706

\$45,277 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2025 for the City.

\$517 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2025 for the Component Unit.

Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

City		
Year Ending September 30,		
2025	\$	(88,339)
2026		(79,400)
2027		(98,485)
2028		(109,548)
2029		2,263
Thereafter		505
Totals	\$	(373,004)

Component Unit		
Year Ending September 30,		
2025	\$	(1,010)
2026		(907)
2027		(1,126)
2028		(1,252)
2029		26
Thereafter		7
Totals	\$	(4,262)

City of Sherman, Texas

Notes to the Financial Statements

K. Related Party Transactions

The City had three council members that had transactions with the City through their personal businesses. The three council members had transactions totaling \$5,361, \$45,742 and \$12,050. Two employees had transactions with the City through their personal businesses, totaling \$47,460 and \$7,550. All three council members disclosed the financial relationship with the City on their conflict-of-interest questionnaires.

L. Subsequent events

The City has evaluated all events or transactions that occurred after September 30, 2024, and through February 25, 2025, the date the financial statements were issued. On October 31, 2024, the City issued \$19,735,000 of Combination Tax and Revenue Certificates of Obligation, Series 2024. On January 16, 2025, the City issued \$6,810,000 of Limited Tax Notes, Series 2025.

**Required
Supplementary Information
(Unaudited)**



City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget (GAAP Basis) and Actual General Fund For The Fiscal Year Ended September 30, 2024

	Budget		Actual	Adjustments	Actual	Final
	Original	Final	GAAP Basis	Budget Basis	Budget Basis	Budget Variance
REVENUES						
Taxes:						
General property	\$ 15,239,400	\$ 15,239,400	\$ 14,513,257	\$ -	\$ 14,513,257	\$ (726,143)
City sales	31,250,000	31,250,000	30,207,162	(196,793)	30,010,369	(1,239,631)
Franchise	3,362,000	3,362,000	3,120,613	-	3,120,613	(241,387)
Nonproperty	196,000	196,000	195,876	-	195,876	(124)
Licenses and permits	2,576,000	2,576,000	3,053,786	-	3,053,786	477,786
Intergovernmental	857,850	857,850	1,033,521	-	1,033,521	175,671
Charges for services	3,538,546	3,538,546	5,963,760	-	5,963,760	2,425,214
Fines and forfeitures	592,400	592,400	776,769	-	776,769	184,369
Investment income	340,000	340,000	1,298,577	(474,119)	824,458	484,458
Donations	15,000	15,000	42,991	-	42,991	27,991
Miscellaneous	220,100	220,100	797,534	-	797,534	577,434
Total revenues	58,187,296	58,187,296	61,003,846	(670,912)	60,332,934	2,145,638
EXPENDITURES						
Current:						
General government	9,780,881	11,485,521	11,062,394	-	11,062,394	423,127
Public safety	35,763,699	36,188,364	36,149,039	-	36,149,039	39,325
Streets	6,431,108	6,762,388	6,385,459	-	6,385,459	376,929
Community Services	8,624,688	9,154,866	8,833,547	-	8,833,547	321,319
Capital outlay	837,347	1,255,888	904,782	-	904,782	351,106
Debt service:						
Principal	-	-	107,441	-	107,441	(107,441)
Interest	-	-	4,265	-	4,265	(4,265)
Total expenditures	61,437,723	64,847,027	63,446,927	-	63,446,927	1,400,100
Excess (deficiency) of revenues over (under) Expenditures	(3,250,427)	(6,659,731)	(2,443,081)	(670,912)	(3,113,993)	3,545,738
OTHER FINANCING SOURCES (USES)						
Transfers in	5,224,583	5,224,583	5,005,471	-	5,005,471	(219,112)
Transfers out	(1,000,000)	(1,450,000)	(1,000,000)	-	(1,000,000)	450,000
Total other financing sources (uses)	4,224,583	3,774,583	4,005,471	-	4,005,471	230,888
Net change in fund balance	974,156	(2,885,148)	1,562,390	(670,912)	891,478	3,776,626
Fund balance, beginning	22,803,672	22,803,672	22,803,672	-	22,803,672	-
FUND BALANCE, ENDING	\$ 23,777,828	\$ 19,918,524	\$ 24,366,062	\$ (670,912)	\$ 23,695,150	\$ 3,776,626

The major differences between the budget basis and GAAP basis is that sales tax is recorded when earned for GAAP and is recorded when received for budget. Unrealized investment gain (loss) is recognized for GAAP basis only. The adjustments necessary to convert from the GAAP basis to the budget basis are as follows:

Reverse accrual for sales tax for budget basis	\$ (196,793)
Reverse adjustment for unrealized gains/losses on investments	(474,119)
Total adjustments between GAAP and budget basis	\$ (670,912)

City of Sherman, Texas

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

For the Fiscal Year Ended September 30, 2024

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
TOTAL PENSION LIABILITY				
Service cost	\$ 5,887,123	\$ 5,369,785	\$ 4,577,040	\$ 4,499,305
Interest (on the total pension liability)	11,860,725	11,197,229	10,682,508	10,371,517
Difference between expected and actual experience	1,165,662	2,007,562	956,873	(1,535,502)
Change in assumptions	(830,792)	-	-	-
Benefit payments, including refunds of employee contributions	(9,052,113)	(8,955,232)	(9,019,378)	(8,514,436)
Net change in total pension liability	9,030,605	9,619,344	7,197,043	4,820,884
Total pension liability, beginning	177,296,937	167,677,593	160,480,550	155,659,666
TOTAL PENSION LIABILITY - ENDING (a)	\$ 186,327,542	\$ 177,296,937	\$ 167,677,593	\$ 160,480,550
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 5,002,771	\$ 4,663,850	\$ 4,124,458	\$ 4,024,957
Contributions - employee	2,558,030	2,341,962	1,992,493	1,964,762
Net investment income	17,328,382	(11,944,313)	19,224,382	10,587,504
Benefit payments, including refunds of employee contributions	(9,052,113)	(8,955,232)	(9,019,378)	(8,514,436)
Administrative expense	(110,411)	(103,484)	(89,027)	(68,568)
Other	(771)	123,487	609	(2,675)
Net change in plan fiduciary net position	15,725,888	(13,873,730)	16,233,537	7,991,544
Plan fiduciary net position - beginning	149,953,187	163,826,917	147,593,380	139,601,836
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 165,679,075	\$ 149,953,187	\$ 163,826,917	\$ 147,593,380
NET PENSION LIABILITY (ASSET) - ENDING (a) - (b)	\$ 20,648,467	\$ 27,343,750	\$ 3,850,676	\$ 12,887,170
Plan fiduciary net position as a percentage of total pension liability	88.92%	84.58%	97.70%	91.97%
Covered payroll	\$ 36,543,282	\$ 33,456,605	\$ 28,464,182	\$ 28,068,030
Net pension liability (asset) as a percentage of covered payroll	56.50%	81.73%	13.53%	45.91%

Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
\$ 4,230,570	\$ 3,883,639	\$ 3,649,444	\$ 3,486,523	\$ 3,226,817	\$ 2,979,275
9,912,992	9,447,203	9,050,846	8,656,254	8,473,364	8,161,413
639,165	1,223,491	96,380	350,688	(618,003)	(628,326)
263,070	-	-	-	2,493,834	-
(8,259,971)	(7,394,476)	(6,689,131)	(6,769,128)	(6,257,098)	(6,102,278)
6,785,826	7,159,857	6,107,539	5,724,337	7,318,914	4,410,084
148,873,840	141,713,983	135,606,444	129,882,107	122,563,193	118,153,109
<u>\$ 155,659,666</u>	<u>\$ 148,873,840</u>	<u>\$ 141,713,983</u>	<u>\$ 135,606,444</u>	<u>\$ 129,882,107</u>	<u>\$ 122,563,193</u>
\$ 3,779,847	\$ 3,500,405	\$ 3,285,194	\$ 2,940,094	\$ 2,904,162	\$ 2,921,484
1,911,958	1,731,652	1,624,037	1,548,582	1,477,221	1,420,534
19,038,402	(3,872,794)	15,968,315	7,443,517	165,252	6,158,745
(8,259,971)	(7,394,476)	(6,689,131)	(6,769,128)	(6,257,098)	(6,102,278)
(107,658)	(74,888)	(82,784)	(84,096)	(100,658)	(64,305)
(3,234)	(3,911)	(4,195)	(4,531)	(4,972)	(5,287)
16,359,344	(6,114,012)	14,101,436	5,074,438	(1,816,093)	4,328,893
123,242,492	129,356,504	115,255,068	110,180,630	111,996,723	107,667,830
<u>\$ 139,601,836</u>	<u>\$ 123,242,492</u>	<u>\$ 129,356,504</u>	<u>\$ 115,255,068</u>	<u>\$ 110,180,630</u>	<u>\$ 111,996,723</u>
\$ 16,057,830	\$ 25,631,348	\$ 12,357,479	\$ 20,351,376	\$ 19,701,477	\$ 10,566,470
89.68%	82.78%	91.28%	84.99%	84.83%	91.38%
\$ 26,929,153	\$ 24,736,553	\$ 23,200,533	\$ 22,122,605	\$ 21,118,153	\$ 20,293,345
59.63%	103.62%	53.26%	91.99%	93.29%	52.07%

City of Sherman, Texas
Texas Municipal Retirement System
Schedule of Contributions
For the Fiscal Year Ended September 30, 2024

	2024	2023	2022	2021
Actuarially determined contribution	\$ 5,595,392	\$ 4,912,051	\$ 4,539,719	\$ 4,136,055
Contributions in relation to the actuarially determined contribution	(5,595,392)	(4,912,051)	(4,539,719)	(4,136,055)
CONTRIBUTIONS DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 39,980,098	\$ 35,722,972	\$ 32,429,322	\$ 28,624,847
Contributions as a percentage of covered payroll	14.00%	13.75%	14.00%	14.45%

Notes to the schedule of contributions

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective 13 months later (in January).
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization method	22 Years
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other information	There were no benefit changes during the year.

2020	2019	2018	2017	2016	2015
\$ 3,905,318	\$ 3,701,373	\$ 3,432,140	\$ 3,198,051	\$ 2,911,816	\$ 2,883,283
(3,905,318)	(3,701,373)	(3,432,140)	(3,198,051)	(2,911,816)	(2,883,283)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,443,124	\$ 26,523,239	\$ 24,250,983	\$ 22,954,410	\$ 21,711,800	\$ 20,725,423
14.23%	13.96%	14.15%	13.93%	13.41%	13.91%

City of Sherman, Texas

Retiree Insurance Benefits Plan

Schedule of Changes in Total OPEB Liability and Related Ratios

For the Fiscal Year Ended September 30, 2024

	Plan Year Ended December 31,		
	2023	2022	2021
TOTAL OPEB LIABILITY			
Service cost	\$ 231,277	\$ 394,843	\$ 282,712
Interest (on the total OPEB liability)	227,941	130,950	146,969
Difference in expected and actual experience	188,069	(378,350)	114,216
Changes in assumptions	(120,589)	(989,357)	(259,196)
Benefit payments, including refunds of employee contributions	(586,368)	(543,620)	(601,065)
Net change in total OPEB liability	(59,670)	(1,385,534)	(316,364)
Total OPEB liability - beginning	5,805,729	7,191,263	7,507,627
TOTAL OPEB LIABILITY - ENDING	\$ 5,746,059	\$ 5,805,729	\$ 7,191,263
Covered - employee payroll	36,543,282	33,456,605	28,454,484
Total OPEB liability as a percentage of covered - employee payroll	15.72%	17.35%	25.27%

Note: This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Note: The discount rate changed from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study.

Plan Year Ended December 31,			
2020	2019	2018	2017
\$ 353,212	\$ 267,401	\$ 322,200	\$ 250,905
224,515	289,859	290,538	321,034
(548,928)	(141,126)	(1,183,991)	(265,075)
(279,885)	314,951	14,195	343,497
(457,753)	(387,662)	(372,776)	(296,252)
(708,839)	343,423	(929,834)	354,109
8,216,466	7,873,043	8,802,877	8,448,768
<u>\$ 7,507,627</u>	<u>\$ 8,216,466</u>	<u>\$ 7,873,043</u>	<u>\$ 8,802,877</u>
27,729,829	26,929,139	24,736,553	23,200,536
27.07%	30.51%	31.83%	37.94%

City of Sherman, Texas

Texas Municipal Retirement System - Supplemental Death Benefits Fund Schedule of Changes in Total OPEB Liability and Related Ratios For the Fiscal Year Ended September 30, 2024

	Plan Year Ended December 31,		
	2023	2022	2021
TOTAL OPEB LIABILITY			
Service cost	\$ 47,506	\$ 100,370	\$ 85,393
Interest (on the total OPEB liability)	57,290	37,771	38,365
Difference in expected and actual experience	(48,818)	(14,686)	(6,584)
Changes in assumptions	69,940	(679,088)	59,165
Benefit payments, including refunds of employee contributions	(62,124)	(50,185)	(48,389)
Net change in total OPEB liability	63,794	(605,818)	127,950
Total OPEB liability - beginning	1,421,873	2,027,691	1,899,741
TOTAL OPEB LIABILITY - ENDING	\$ 1,485,667	\$ 1,421,873	\$ 2,027,691
Covered - employee payroll	36,543,282	33,456,605	28,464,182
Total OPEB liability as a percentage of covered - employee payroll	4.07%	4.25%	7.12%

Note: This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Plan Year Ended December 31,			
2020	2019	2018	2017
\$ 64,556	\$ 48,472	\$ 51,947	\$ 41,761
46,262	60,886	47,552	47,400
(90,851)	(306,729)	214,798	-
238,206	246,961	(92,549)	103,930
(16,841)	(16,157)	(14,842)	(16,240)
241,332	33,433	206,906	176,851
1,658,409	1,624,976	1,418,070	1,241,219
<u>\$ 1,899,741</u>	<u>\$ 1,658,409</u>	<u>\$ 1,624,976</u>	<u>\$ 1,418,070</u>
28,068,030	26,929,153	24,736,553	23,200,533
6.77%	6.16%	6.57%	6.11%



Other Supplementary Information

City of Sherman, Texas

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Hotel-Motel Fund – This fund accounts for revenue from a seven percent tax levied upon the cost of a hotel or motel room in the City, and for the operations of the Municipal Ballroom and Kidd-Key Auditorium which are supported by the tax. According to state civil statutes, this tax revenue can be used to promote tourism, maintain and repair convention facilities, promote the arts and humanities, or any other purpose directly related to those activities. Additionally, in accordance with bond covenants, two percent of the seven percent is to be used to pay debt service on bonds issued for auditorium improvements. These funds are accounted for in a separate Debt Service Fund.

Community Development Fund – This fund accounts for revenues received from the Community Development Block Grant and the expenditures allowed by grant terms.

PRIDE Program Fund – This fund accounts for public donations through a voluntary one dollar charge on utility bills for the parks and recreation improvement program, police drug enforcement program and/or the library.

Drug Enforcement Fund - This fund accounts for forfeitures awarded to the City by the courts and drug enforcement expenditures.

Municipal Airport Fund – This fund accounts for operations of the City's municipal airport and for grant moneys received to make capital improvements at the airport.

Bel Air Public Improvement District Fund – This fund accounts for property tax revenue collected and expenses incurred on behalf of the public improvement district.

Emergency 9-1-1 Fund – This fund accounts for a public safety program that uses the charges to phone lines for enhanced 9-1-1 service for emergency dispatch services.

Court Security and Technology Fund – This fund accounts for two public safety programs that use court security and technology fees charged by the municipal court for expenditures related to the court.

Stormwater Fund – This fund accounts for the fee assessed on impervious area in the City collected on utility bills. The revenue from the fee is restricted by law for use on stormwater projects.

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Street Revolving Fund – This fund accounts for street assessments, escrow deposits for future street improvements and donations by citizens for specific street improvements.

TIF #2 Construction Fund – This fund accounts for payments for infrastructure improvements within the zone that includes downtown on a pay-as-you-go basis.

TIF #3 Construction Fund – This fund accounts for payments for infrastructure improvements within the zone that includes the northeast corner of the intersection of US Hwy 75 and Loy Lake Road on a pay-as-you-go basis.

City of Sherman, Texas

Nonmajor Governmental Funds

Special Revenue Funds

TIRZ #5 Construction Fund – This fund accounts for payments for infrastructure improvements within the zone that includes the northwest corner of US Hwy 75 and FM 1417 on a pay-as-you-go basis.

TIRZ #6 Construction Fund – This fund accounts for payments for infrastructure improvements within the zone that includes the area south of the intersection of US Hwy 75 and FM 691 on a pay-as-you-go basis.

TIRZ #7 Construction Fund – This fund accounts for payments for infrastructure improvements within the zone that includes the southeast corner of US Hwy 75 and FM 1417 on a pay-as-you-go basis.

Roadway Impact Fee Zone #1 – This fund accounts for the assessment imposed against new development in Roadway Service Area 1, defined primarily as the area north of US Hwy 82. The City of Sherman began collecting impact fees June 7, 2021, in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development in this service zone.

Roadway Impact Fee Zone #2 – This fund accounts for the assessment imposed against new development in Roadway Service Area 2, defined primarily as the area west of US HWY 75, between West Travis Street and US 82. The City of Sherman began collecting impact fees June 7, 2021, in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development in this service zone.

Roadway Impact Fee Zone #3 – This fund accounts for the assessment imposed against new development in Roadway Service Area 3, defined primarily as the area south of US Hwy 82 and east of US Hwy 75. The City of Sherman began collecting impact fees June 7, 2021, in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development in this service zone.

Roadway Impact Fee Zone #4 – This fund accounts for the assessment imposed against new development in Roadway Service Area 4, defined primarily as the area split by US Hwy 75 with the northern limit on the west side being Travis Street and the northern limit on the east side being Post Oak Creek. The City of Sherman began collecting impact fees June 7, 2021, in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development in this service zone.

Regional Detention Construction Fund – This fund accounts for fees collected from real estate developers to be used for the future construction of a regional stormwater detention facility.

PERMANENT FUND

The Permanent Fund is used to account for the resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's program.

Perpetual Care, Cemetery and Mausoleum Fund – This fund is used to account for principal trust amounts received and related interest income. The interest portion of this fund can be used to maintain the community cemetery.

City of Sherman, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue			
	Hotel - Motel	Community Development	PRIDE Program	Drug Enforcement Program
ASSETS				
Cash	\$ -	\$ -	\$ 89,444	\$ 145,770
Pooled and temporary investments	29	-	-	-
Receivables (net of allowances for uncollectibles):				
Interest	-	-	-	-
Intergovernmental	-	126,450	-	-
Accounts	-	-	3,378	-
Due from other funds	-	-	-	-
Taxes	267,559	-	-	-
Leases	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>\$ 267,588</u>	<u>\$ 126,450</u>	<u>\$ 92,822</u>	<u>\$ 145,770</u>
LIABILITIES				
Accounts payable	\$ 11,010	\$ 18,149	\$ -	\$ -
Accrued wages payable	3,444	-	-	-
Customer deposits	15,006	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	646,287	108,301	-	-
Total liabilities	675,747	126,450	-	-
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable:				
Endowment	-	-	-	-
Inventory	-	-	-	-
Restricted for:				
Law enforcement support	-	-	41,139	145,770
Airport and tourism	-	-	-	-
Infrastructure and facilities improvement	-	-	51,683	-
Cemetery maintenance	-	-	-	-
Committed to:				
New street development	-	-	-	-
Unassigned	(408,159)	-	-	-
Total fund balances	<u>(408,159)</u>	<u>-</u>	<u>92,822</u>	<u>145,770</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 267,588</u>	<u>\$ 126,450</u>	<u>\$ 92,822</u>	<u>\$ 145,770</u>

Special Revenue					Capital Projects	
Municipal Airport	Bel Air Public Improvement District	Emergency 9-1-1	Court Security and Technology	Stormwater Fund	Street Revolving	TIF #2 Construction
\$ 116,628	\$ 6,939	\$ 714,869	\$ 156,951	\$ 28,249	\$ 611,922	\$ 38,159
60,314	-	355,920	-	-	99,373	66,206
-	-	-	-	-	-	-
-	-	23,665	-	-	-	-
37,654	-	756	-	83,661	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
49,584	-	-	-	-	-	-
15,532	-	-	-	-	-	-
<u>\$ 279,712</u>	<u>\$ 6,939</u>	<u>\$ 1,095,210</u>	<u>\$ 156,951</u>	<u>\$ 111,910</u>	<u>\$ 711,295</u>	<u>\$ 104,365</u>
\$ 5,242	\$ -	\$ 31,637	\$ 43	\$ 304	\$ -	\$ 52,063
-	-	-	-	2,066	-	-
8,711	-	-	-	-	162,808	-
-	-	5,580	-	-	-	-
-	-	-	-	-	-	-
13,953	-	37,217	43	2,370	162,808	52,063
47,434	-	-	-	-	-	-
47,434	-	-	-	-	-	-
-	-	-	-	-	-	-
15,532	-	-	-	-	-	-
-	-	1,057,993	156,908	-	-	-
202,793	-	-	-	-	-	-
-	6,939	-	-	109,540	-	52,302
-	-	-	-	-	-	-
-	-	-	-	-	548,487	-
-	-	-	-	-	-	-
218,325	6,939	1,057,993	156,908	109,540	548,487	52,302
<u>\$ 279,712</u>	<u>\$ 6,939</u>	<u>\$ 1,095,210</u>	<u>\$ 156,951</u>	<u>\$ 111,910</u>	<u>\$ 711,295</u>	<u>\$ 104,365</u>

City of Sherman, Texas

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

September 30, 2024

	Capital Projects			
	TIF #3 Construction	TIRZ #5 Construction	TIRZ #6 Construction	TIRZ #7 Construction
ASSETS				
Cash	\$ 123,070	\$ -	\$ 599,316	\$ -
Pooled and temporary investments	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Taxes	-	-	-	-
Leases	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>\$ 123,070</u>	<u>\$ -</u>	<u>\$ 599,316</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages payable	-	-	-	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	200,516	-	563,967
Total liabilities	-	200,516	-	563,967
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable:				
Endowment	-	-	-	-
Inventory	-	-	-	-
Restricted for:				
Law enforcement support	-	-	-	-
Airport and tourism	-	-	-	-
Infrastructure and facilities improvement	123,070	-	599,316	-
Cemetery maintenance	-	-	-	-
Committed to:				
New street development	-	-	-	-
Unassigned	-	(200,516)	-	(563,967)
Total fund balances	<u>123,070</u>	<u>(200,516)</u>	<u>599,316</u>	<u>(563,967)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 123,070</u>	<u>\$ -</u>	<u>\$ 599,316</u>	<u>\$ -</u>

Capital Projects					Permanent	Total
Roadway Impact Fee Zone #1	Roadway Impact Fee Zone #2	Roadway Impact Fee Zone #3	Roadway Impact Fee Zone #4	Regional Detention	Perpetual Care Cemetery and Mausoleum	NonMajor Governmental Funds
\$ 268,832 56,510	\$ 439,875 118,946	\$ 250,203 -	\$ - 1,455,031	\$ 55,891 -	\$ 6,366 2,092,089	\$ 3,652,484 4,304,418
-	-	-	3,642	-	-	3,642
-	-	-	-	-	-	150,115
-	-	-	-	-	26,975	152,424
-	-	-	-	-	-	-
-	-	-	-	-	-	267,559
-	-	-	-	-	-	49,584
-	-	-	-	-	-	15,532
<u>\$ 325,342</u>	<u>\$ 558,821</u>	<u>\$ 250,203</u>	<u>\$ 1,458,673</u>	<u>\$ 55,891</u>	<u>\$ 2,125,430</u>	<u>\$ 8,595,758</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,448
-	-	-	-	-	-	5,510
-	-	-	-	-	-	186,525
-	-	-	-	-	-	5,580
-	-	-	244,653	-	-	1,763,724
-	-	-	244,653	-	-	2,079,787
-	-	-	-	-	-	47,434
-	-	-	-	-	-	47,434
-	-	-	-	-	100,000	100,000
-	-	-	-	-	-	15,532
-	-	-	-	-	-	1,401,810
-	-	-	-	-	-	202,793
325,342	558,821	250,203	1,214,020	55,891	-	3,347,127
-	-	-	-	-	2,025,430	2,025,430
-	-	-	-	-	-	548,487
-	-	-	-	-	-	(1,172,642)
<u>325,342</u>	<u>558,821</u>	<u>250,203</u>	<u>1,214,020</u>	<u>55,891</u>	<u>2,125,430</u>	<u>6,468,537</u>
<u>\$ 325,342</u>	<u>\$ 558,821</u>	<u>\$ 250,203</u>	<u>\$ 1,458,673</u>	<u>\$ 55,891</u>	<u>\$ 2,125,430</u>	<u>\$ 8,595,758</u>

City of Sherman, Texas

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Special Revenue			
	Hotel - Motel	Community Development	PRIDE Program	Drug Enforcement Program
REVENUES				
General property taxes	\$ -	\$ -	\$ -	\$ -
Nonproperty taxes	839,973	-	-	-
Property assessment	-	-	-	-
Intergovernmental	-	423,505	7,500	-
Charges for services	19,102	-	-	-
Fines and forfeitures	-	-	-	65,845
Investment income (loss)	141	-	1,702	1,211
Donations	-	-	78,301	-
Perpetual care contracts	-	-	-	-
Miscellaneous	54,367	-	10	-
Total revenues	913,583	423,505	87,513	67,056
EXPENDITURES				
Current:				
Public safety	-	-	25,748	4,387
Community services	1,184,521	-	-	-
Community development	-	423,505	-	-
Capital outlay	-	-	-	7,075
Total expenditures	1,184,521	423,505	25,748	11,462
Excess (deficiency) of revenues over (under) expenditures	(270,938)	-	61,765	55,594
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(109,000)	-	(14,000)	-
Total other financing sources (uses)	(109,000)	-	(14,000)	-
Net change in fund balances	(379,938)	-	47,765	55,594
Fund balances, beginning	(28,221)	-	45,057	90,176
FUND BALANCES, ENDING	<u>\$ (408,159)</u>	<u>\$ -</u>	<u>\$ 92,822</u>	<u>\$ 145,770</u>

Special Revenue					Capital Projects	
Municipal Airport	Bel Air Public Improvement District	Emergency 9-1-1	Court Security and Technology	Stormwater Fund	Street Revolving	TIF #2 Construction
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388,720
-	-	-	-	-	-	-
-	295,680	-	-	-	-	-
10,680	-	636,895	-	-	-	5,857
459,883	-	342,269	-	876,480	-	-
-	-	-	56,906	-	-	-
14,149	6,630	32,821	4,497	55	33,210	20,544
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
484,712	302,310	1,011,985	61,403	876,535	33,210	415,121
-	-	215,717	10,252	-	-	-
454,765	-	-	-	203,686	-	-
-	13,162	-	-	-	-	353,363
4,723	493,364	214,338	-	59,400	-	283,548
459,488	506,526	430,055	10,252	263,086	-	636,911
25,224	(204,216)	581,930	51,151	613,449	33,210	(221,790)
-	-	-	-	-	-	-
-	-	-	(45,000)	(273,000)	-	(200,000)
-	-	-	(45,000)	(273,000)	-	(200,000)
25,224	(204,216)	581,930	6,151	340,449	33,210	(421,790)
193,101	211,155	476,063	150,757	(230,909)	515,277	474,092
\$ 218,325	\$ 6,939	\$ 1,057,993	\$ 156,908	\$ 109,540	\$ 548,487	\$ 52,302

City of Sherman, Texas

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2024

	Capital Projects			
	TIF #3 Construction	TIRZ #5 Construction	TIRZ #6 Construction	TIRZ #7 Construction
REVENUES				
General property taxes	\$ 265,144	\$ 81,894	\$ 33,934	\$ 82,465
Nonproperty taxes	-	-	-	-
Property assessment	-	-	-	-
Intergovernmental	-	73,989	30,767	73,385
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income (loss)	7,698	-	17,677	-
Donations	-	-	-	-
Perpetual care contracts	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	272,842	155,883	82,378	155,850
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Community services	-	-	-	-
Community development	-	-	-	-
Capital outlay	400,000	-	-	255,067
Total expenditures	400,000	-	-	255,067
Excess (deficiency) of revenues over (under) expenditures	(127,158)	155,883	82,378	(99,217)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(289,000)	(226,000)	(178,000)
Total other financing sources (uses)	-	(289,000)	(226,000)	(178,000)
Net change in fund balances	(127,158)	(133,117)	(143,622)	(277,217)
Fund balances, beginning	250,228	(67,399)	742,938	(286,750)
FUND BALANCES, ENDING	<u>\$ 123,070</u>	<u>\$ (200,516)</u>	<u>\$ 599,316</u>	<u>\$ (563,967)</u>

Capital Projects					Permanent	Total
Roadway Impact Fee Zone #1	Roadway Impact Fee Zone #2	Roadway Impact Fee Zone #3	Roadway Impact Fee Zone #4	Regional Detention	Perpetual Care Cemetery and Mausoleum	NonMajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 852,157
-	-	-	-	-	-	839,973
-	-	-	-	-	-	295,680
-	-	-	-	-	-	1,262,578
243,110	572,456	196,179	272,189	-	-	2,981,668
-	-	-	-	-	-	122,751
10,368	35,080	2,944	173,629	1,419	281,710	645,485
-	-	-	-	-	-	78,301
-	-	-	-	-	7,000	7,000
-	-	-	-	-	-	54,377
253,478	607,536	199,123	445,818	1,419	288,710	7,139,970
-	-	-	-	-	-	256,104
-	-	-	-	-	-	1,842,972
-	-	-	-	-	-	790,030
-	-	-	-	-	-	1,717,515
-	-	-	-	-	-	4,606,621
253,478	607,536	199,123	445,818	1,419	288,710	2,533,349
-	-	-	-	-	-	-
-	(900,000)	-	(2,000,000)	-	-	(4,234,000)
-	(900,000)	-	(2,000,000)	-	-	(4,234,000)
253,478	(292,464)	199,123	(1,554,182)	1,419	288,710	(1,700,651)
71,864	851,285	51,080	2,768,202	54,472	1,836,720	8,169,188
<u>\$ 325,342</u>	<u>\$ 558,821</u>	<u>\$ 250,203</u>	<u>\$ 1,214,020</u>	<u>\$ 55,891</u>	<u>\$ 2,125,430</u>	<u>\$ 6,468,537</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual General Improvement Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Investment income	\$ 600,000	\$ 600,000	\$ 4,166,589	\$ (147,692)	\$ 4,018,897	\$ 3,418,897
Miscellaneous	6,100,000	6,100,000	40,744	-	40,744	(6,059,256)
Total revenues	6,700,000	6,700,000	4,207,333	(147,692)	4,059,641	(2,640,359)
EXPENDITURES						
Capital outlay:						
Infrastructure and facility improvements	52,488,405	76,532,688	34,632,748	-	34,632,748	111,165,436
Debt service:						
Debt issuance costs	200,000	200,000	-	-	-	200,000
Total expenditures	52,688,405	76,732,688	34,632,748	-	34,632,748	111,365,436
Excess (deficiency) of revenues over (under) expenditures	(45,988,405)	(70,032,688)	(30,425,415)	(147,692)	(30,573,107)	108,725,077
OTHER FINANCING SOURCES (USES)						
Issuance of bonds	35,000,000	35,000,000	-	-	-	35,000,000
Issuance of tax notes	468,426	468,426	468,426	-	468,426	-
Transfers in	4,200,000	5,631,809	3,900,000	-	3,900,000	1,731,809
Transfers out	(50,516)	(1,482,325)	(50,516)	-	(50,516)	(1,431,809)
Total other financing sources (uses)	39,617,910	39,617,910	4,317,910	-	4,317,910	35,300,000
Net change in fund balance	(6,370,495)	(30,414,778)	(26,107,505)	(147,692)	(26,255,197)	144,025,077
Fund balance, beginning	85,892,905	85,892,905	85,892,905	-	85,892,905	-
FUND BALANCE, ENDING	\$ 79,522,410	\$ 55,478,127	\$ 59,785,400	\$ (147,692)	\$ 59,637,708	\$ 144,025,077

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Debt Service Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual	Adjustments	Actual	Final
	Original	Final	GAAP Basis	Budget Basis	Budget Basis	Budget Variance
REVENUES						
General property taxes	\$ 10,179,730	\$ 10,179,730	\$ 10,413,377	\$ -	\$ 10,413,377	\$ 233,647
Investment income	-	-	115,660	-	115,660	115,660
Miscellaneous	-	-	1,056	-	1,056	1,056
Total revenues	10,179,730	10,179,730	10,530,093	-	10,530,093	350,363
EXPENDITURES						
Debt service:						
Principal	5,414,061	5,414,061	5,506,908	-	5,506,908	(92,847)
Interest	6,660,434	6,660,434	6,297,704	-	6,297,704	12,958,138
Agent fees	8,000	8,000	8,025	-	8,025	16,025
Total expenditures	12,082,495	12,082,495	11,812,637	-	11,812,637	12,881,316
Excess (deficiency) of revenues over (under) expenditures	(1,902,765)	(1,902,765)	(1,282,544)	-	(1,282,544)	13,231,679
OTHER FINANCING SOURCES (USES)						
Transfers in	1,075,000	1,075,000	1,075,000	-	1,075,000	-
Total other financing sources (uses)	1,075,000	1,075,000	1,075,000	-	1,075,000	-
Net change in fund balance	(827,765)	(827,765)	(207,544)	-	(207,544)	13,231,679
Fund balance, beginning	1,477,806	1,477,806	1,477,806	-	1,477,806	-
FUND BALANCE, ENDING	\$ 650,041	\$ 650,041	\$ 1,270,262	\$ -	\$ 1,270,262	\$ 13,231,679

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual
Hotel - Motel Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual	Adjustments	Actual	Final
	Original	Final	GAAP	Budget	Budget	Budget
			Basis	Basis	Basis	Variance
REVENUES						
Nonproperty taxes	\$ 817,000	\$ 817,000	\$ 839,973	\$ -	\$ 839,973	\$ 22,973
Charges for services	35,000	35,000	19,102	-	19,102	(15,898)
Investment income	-	-	141	-	141	141
Miscellaneous	60,000	60,000	54,367	-	54,367	(5,633)
Total revenues	912,000	912,000	913,583	-	913,583	1,583
EXPENDITURES						
Current:						
Community services:						
Tourism	782,112	1,232,082	1,151,859	-	1,151,859	80,223
Auditorium	70,430	70,460	8,937	-	8,937	61,523
Ballroom	45,000	45,000	23,725	-	23,725	21,275
Total expenditures	897,542	1,347,542	1,184,521	-	1,184,521	163,021
Excess (deficiency) of revenues over (under) expenditures	14,458	(435,542)	(270,938)	-	(270,938)	(161,438)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	450,000	-	-	-	450,000
Transfers out	(109,000)	(109,000)	(109,000)	-	(109,000)	-
Total other financing sources (uses)	(109,000)	341,000	(109,000)	-	(109,000)	450,000
Net change in fund balance	(94,542)	(94,542)	(379,938)	-	(379,938)	288,562
Fund balance, beginning	(28,221)	(28,221)	(28,221)	-	(28,221)	-
FUND BALANCE, ENDING	\$ (122,763)	\$ (122,763)	\$ (408,159)	\$ -	\$ (408,159)	\$ 288,562

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual
Pride Program

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Investment income	\$ 2,900	\$ 2,900	\$ 1,702	\$ -	\$ 1,702	\$ 1,198
Intergovernmental	-	-	7,500	-	7,500	(7,500)
Donations	44,000	44,000	78,301	-	78,301	(34,301)
Miscellaneous	-	-	10	-	10	(10)
Total revenues	46,900	46,900	87,513	-	87,513	(40,613)
EXPENDITURES						
Current:						
Public safety						
Drug enforcement	5,000	30,000	25,748	-	25,748	4,252
Community services						
Park maintenance	25,000	25,000	-	-	-	25,000
Library materials	20,000	20,000	-	-	-	20,000
Total expenditures	50,000	75,000	25,748	-	25,748	49,252
Excess (deficiency) of revenues over (under) expenditures	(3,100)	(28,100)	61,765	-	61,765	8,639
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	(14,000)	-	(14,000)	14,000
Total other financing resources (uses)	-	-	(14,000)	-	(14,000)	14,000
Net change in fund balance	(3,100)	(28,100)	47,765	-	47,765	22,639
Fund balance, beginning	45,057	45,057	45,057	-	45,057	-
FUND BALANCE, ENDING	\$ 41,957	\$ 16,957	\$ 92,822	\$ -	\$ 92,822	\$ 22,639

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Community Development Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Intergovernmental	\$ 423,505	\$ 423,505	\$ 423,505	\$ -	\$ 423,505	\$ -
Total revenues	423,505	423,505	423,505	-	423,505	-
EXPENDITURES						
Current:						
Community development:						
Administration	61,953	61,953	61,953	-	61,953	-
Demolition and clearing	149,343	149,343	149,343	-	149,343	-
Public service	212,209	212,209	212,209	-	212,209	-
Total expenditures	423,505	423,505	423,505	-	423,505	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

Drug Enforcement Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 65,845	\$ -	\$ 65,845	\$ (34,155)
Investment income	6,200	6,200	1,211	-	1,211	(4,989)
Total revenues	106,200	106,200	67,056	-	67,056	(39,144)
EXPENDITURES						
Current:						
Public safety:						
Drug enforcement	107,400	100,325	4,387	-	4,387	95,938
Capital outlay	-	7,075	7,075	-	7,075	-
Total expenditures	107,400	107,400	11,462	-	11,462	95,938
Excess (deficiency) of revenues over (under) expenditures	(1,200)	(1,200)	55,594	-	55,594	56,794
Fund balance, beginning	90,176	90,176	90,176	-	90,176	-
FUND BALANCE, ENDING	\$ 88,976	\$ 88,976	\$ 145,770	\$ -	\$ 145,770	\$ 56,794

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

Bel Air Public Improvement District

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Property assessment	\$ 300,000	\$ 300,000	\$ 295,680	\$ -	\$ 295,680	\$ (4,320)
Investment income	2,000	2,000	6,630	-	6,630	4,630
Total revenues	302,000	302,000	302,310	-	302,310	310
EXPENDITURES						
Current:						
Community development	-	-	13,162	-	13,162	13,162
Capital outlay	450,000	450,000	493,364	-	493,364	(43,364)
Total expenditures	450,000	450,000	506,526	-	506,526	(30,202)
Excess (deficiency) of revenues over (under) expenditures	(148,000)	(148,000)	(204,216)	-	(204,216)	(29,892)
Fund balance, beginning	211,155	211,155	211,155	-	211,155	-
FUND BALANCE, ENDING	<u>\$ 63,155</u>	<u>\$ 63,155</u>	<u>\$ 6,939</u>	<u>\$ -</u>	<u>\$ 6,939</u>	<u>\$ (29,892)</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual
Municipal Airport Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Intergovernmental	\$ 50,000	\$ 50,000	\$ 10,680	\$ -	\$ 10,680	\$ (39,320)
Investment income	5,000	5,000	14,149	-	14,149	9,149
Airport rentals	140,000	140,000	119,912	-	119,912	(20,088)
Fuel sales	500,000	500,000	339,971	-	339,971	(160,029)
Total revenues	695,000	695,000	484,712	-	484,712	(210,288)
EXPENDITURES						
Current:						
Community services:						
Airport operation	531,766	531,766	454,765	-	454,765	77,001
Capital outlay	100,000	100,000	4,723	-	4,723	95,277
Total expenditures	631,766	631,766	459,488	-	459,488	172,278
Excess (deficiency) of revenues over (under) expenditures	63,234	63,234	25,224	-	25,224	(38,010)
Fund balance, beginning	193,101	193,101	193,101	-	193,101	-
FUND BALANCE, ENDING	\$ 256,335	\$ 256,335	\$ 218,325	\$ -	\$ 218,325	\$ (38,010)

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

Emergency 9-1-1 Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Charges for services	\$ 310,000	\$ 310,000	\$ 342,269	\$ -	\$ 342,269	\$ 32,269
Investment income	25,000	25,000	32,821	-	32,821	57,821
Intergovernmental	98,898	298,898	636,895	-	636,895	935,793
Total revenues	433,898	633,898	1,011,985	-	1,011,985	1,025,883
EXPENDITURES						
Current:						
Public safety:						
Emergency 9-1-1 services	289,343	289,343	215,717	-	215,717	73,626
Capital outlay	-	327,016	214,338	-	214,338	112,678
Total expenditures	289,343	616,359	430,055	-	430,055	186,304
Excess (deficiency) of revenues over (under) expenditures	144,555	17,539	581,930	-	581,930	839,579
Fund balance, beginning	476,063	476,063	476,063	-	476,063	-
FUND BALANCE, ENDING	\$ 620,618	\$ 493,602	\$ 1,057,993	\$ -	\$ 1,057,993	\$ 839,579

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

Court Security and Technology Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual	Adjustments	Actual	Final
	Original	Final	GAAP	Budget	Budget	Budget
			Basis	Basis	Basis	Variance
REVENUES						
Fines and forfeitures	\$ 50,400	\$ 50,400	\$ 56,906	\$ -	\$ 56,906	\$ 6,506
Investment income	7,000	7,000	4,497	-	4,497	(2,503)
Total revenues	57,400	57,400	61,403	-	61,403	4,003
EXPENDITURES						
Current:						
Public safety:						
Security	-	-	-	-	-	-
Technology	30,012	30,012	10,252	-	10,252	19,760
Total expenditures	30,012	30,012	10,252	-	10,252	19,760
Excess (deficiency) of revenues over (under) expenditures	27,388	27,388	51,151	-	51,151	23,763
OTHER FINANCING SOURCES (USES)						
Transfers out	(45,000)	(45,000)	(45,000)	-	(45,000)	-
Total other financing resources (uses)	(45,000)	(45,000)	(45,000)	-	(45,000)	-
Net change in fund balance	(17,612)	(17,612)	6,151	-	6,151	23,763
Fund balance, beginning	150,757	150,757	150,757	-	150,757	-
FUND BALANCE, ENDING	\$ 133,145	\$ 133,145	\$ 156,908	\$ -	\$ 156,908	\$ 23,763

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Stormwater Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual	Adjustments	Actual	Final
	Original	Final	GAAP Basis	Budget Basis	Budget Basis	Budget Variance
REVENUES						
Charges for services	\$ 904,000	\$ 904,000	\$ 876,480	\$ -	\$ 876,480	\$ (27,520)
Investment income	7,000	7,000	55	-	55	(6,945)
Total revenues	911,000	911,000	876,535	-	876,535	(34,465)
EXPENDITURES						
Current:						
Community services	327,883	377,883	203,686	-	203,686	174,197
Capital outlay	55,000	55,000	59,400	-	59,400	4,400
Total expenditures	382,883	432,883	263,086	-	263,086	178,597
Excess (deficiency) of revenues over (under) expenditures	528,117	478,117	613,449	-	613,449	144,132
OTHER FINANCING SOURCES (USES)						
Transfers out	(273,000)	(273,000)	(273,000)	-	(273,000)	-
Total other financing resources (uses)	(273,000)	(273,000)	(273,000)	-	(273,000)	-
Net change in fund balance	255,117	205,117	340,449	-	340,449	144,132
Fund balance, beginning	(230,909)	(230,909)	(230,909)	-	(230,909)	-
FUND BALANCE, ENDING	\$ 24,208	\$ (25,792)	\$ 109,540	\$ -	\$ 109,540	\$ 144,132

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual
Street Revolving Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Charges for service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	42,000	42,000	33,210	-	33,210	(8,790)
Total revenues	42,000	42,000	33,210	-	33,210	(8,790)
EXPENDITURES						
Capital outlay	500,000	500,000	-	-	-	500,000
Total expenditures	500,000	500,000	-	-	-	500,000
Excess (deficiency) of revenues over (under) expenditures	(458,000)	(458,000)	33,210	-	33,210	491,210
Fund balance, beginning	515,277	515,277	515,277	-	515,277	-
FUND BALANCE, ENDING	\$ 57,277	\$ 57,277	\$ 548,487	\$ -	\$ 548,487	\$ 491,210

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

TIF #2 Construction Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual	Adjustments	Actual	Final
	Original	Final	GAAP	Budget	Budget	Budget
			Basis	Basis	Basis	Variance
REVENUES						
Property taxes	\$ 357,653	\$ 357,653	\$ 388,720	\$ -	\$ 388,720	\$ 31,067
Investment income	50,000	50,000	26,401	-	26,401	(23,599)
Total revenues	407,653	407,653	415,121	-	415,121	7,468
EXPENDITURES						
Current:						
Community development	50,000	250,000	353,363	-	353,363	(103,363)
Capital outlay	270,000	300,360	283,548	-	283,548	16,812
Total expenditures	320,000	550,360	636,911	-	636,911	(86,551)
Excess (deficiency) of revenues over (under) expenditures	87,653	(142,707)	(221,790)	-	(221,790)	(79,083)
OTHER FINANCING SOURCES (USES)						
Transfers out	(200,000)	(200,000)	(200,000)	-	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(200,000)	-	(200,000)	-
Net change in fund balance	(112,347)	(342,707)	(421,790)	-	(421,790)	(79,083)
Fund balance, beginning	474,092	474,092	474,092	-	474,092	-
FUND BALANCE, ENDING	<u>\$ 361,745</u>	<u>\$ 131,385</u>	<u>\$ 52,302</u>	<u>\$ -</u>	<u>\$ 52,302</u>	<u>\$ (79,083)</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

TIF #3 Construction Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual	Adjustments	Actual	Final
	Original	Final	GAAP	Budget	Budget	Budget
			Basis	Basis	Basis	Variance
REVENUES						
Property taxes	\$ -	\$ 265,144	\$ 265,144	\$ -	\$ 265,144	\$ -
Investment income	-	2,200	7,698	-	7,698	5,498
Total revenues	-	267,344	272,842	-	272,842	5,498
EXPENDITURES						
Capital outlay	-	400,000	400,000	-	400,000	-
Total expenditures	-	400,000	400,000	-	400,000	-
Excess (deficiency) of revenues over (under) expenditures	-	(132,656)	(127,158)	-	(127,158)	(5,498)
OTHER FINANCING SOURCES (USES)						
Transfers out	-	(120,000)	-	-	-	(120,000)
Total other financing sources (uses)	-	(120,000)	-	-	-	(120,000)
Net change in fund balance	-	(252,656)	(127,158)	-	(127,158)	(125,498)
Fund balance, beginning	250,228	250,228	250,228	-	250,228	-
FUND BALANCE, ENDING	<u>\$ 250,228</u>	<u>\$ (2,428)</u>	<u>\$ 123,070</u>	<u>\$ -</u>	<u>\$ 123,070</u>	<u>\$ (125,498)</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

TIRZ #5 Construction Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Property taxes	\$ 85,381	\$ 85,381	\$ 81,894	\$ -	\$ 81,894	\$ (3,487)
Intergovernmental	81,627	81,627	73,989	-	73,989	(7,638)
Investment income	2,000	2,000	-	-	-	(2,000)
Total revenues	169,008	169,008	155,883	-	155,883	(13,125)
EXPENDITURES	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	169,008	169,008	155,883	-	155,883	(13,125)
OTHER FINANCING SOURCES (USES)						
Transfers out	(289,000)	(289,000)	(289,000)	-	(289,000)	-
Total other financing sources (uses)	(289,000)	(289,000)	(289,000)	-	(289,000)	-
Net change in fund balance	(119,992)	(119,992)	(133,117)	-	(133,117)	(13,125)
Fund balance, beginning	(67,399)	(67,399)	(67,399)	-	(67,399)	-
FUND BALANCE, ENDING	<u>\$ (187,391)</u>	<u>\$ (187,391)</u>	<u>\$ (200,516)</u>	<u>\$ -</u>	<u>\$ (200,516)</u>	<u>\$ (13,125)</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

TIRZ #6 Construction Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Property taxes	\$ 31,036	\$ 31,036	\$ 33,934	\$ -	\$ 33,934	\$ 2,898
Intergovernmental	30,292	30,292	30,767	-	30,767	475
Investment income	35,000	35,000	17,677	-	17,677	(17,323)
Total revenues	96,328	96,328	82,378	-	82,378	(13,950)
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	96,328	96,328	82,378	-	82,378	(13,950)
OTHER FINANCING SOURCES (USES)						
Transfers out	(226,000)	(226,000)	(226,000)	-	(226,000)	-
Total other financing sources (uses)	(226,000)	(226,000)	(226,000)	-	(226,000)	-
Net change in fund balance	(129,672)	(129,672)	(143,622)	-	(143,622)	(13,950)
Fund balance, beginning	742,938	742,938	742,938	-	742,938	-
FUND BALANCE, ENDING	<u>\$ 613,266</u>	<u>\$ 613,266</u>	<u>\$ 599,316</u>	<u>\$ -</u>	<u>\$ 599,316</u>	<u>\$ (13,950)</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

TIRZ #7 Construction Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Property taxes	\$ 87,953	\$ 87,953	\$ 82,465	\$ -	\$ 82,465	\$ (5,488)
Intergovernmental	84,086	84,086	73,385	-	73,385	(10,701)
Investment income	1,000	1,000	-	-	-	(1,000)
Total revenues	173,039	173,039	155,850	-	155,850	(17,189)
EXPENDITURES						
Capital outlay	-	-	255,067	-	255,067	-
Excess (deficiency) of revenues over (under) expenditures	173,039	173,039	(99,217)	-	(99,217)	(17,189)
OTHER FINANCING SOURCES (USES)						
Transfers out	(178,000)	(178,000)	(178,000)	-	(178,000)	-
Total other financing sources (uses)	(178,000)	(178,000)	(178,000)	-	(178,000)	-
Net change in fund balance	(4,961)	(4,961)	(277,217)	-	(277,217)	(17,189)
Fund balance, beginning	(286,750)	(286,750)	(286,750)	-	(286,750)	-
FUND BALANCE, ENDING	<u>\$ (291,711)</u>	<u>\$ (291,711)</u>	<u>\$ (563,967)</u>	<u>\$ -</u>	<u>\$ (563,967)</u>	<u>\$ (17,189)</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

Roadway Impact Fee #1 Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual	Adjustments	Actual	Final
	Original	Final	GAAP	Budget	Budget	Budget
			Basis	Basis	Basis	Variance
REVENUES						
Charges for service	\$ 10,000	\$ 10,000	\$ 243,110	\$ -	\$ 243,110	\$ 233,110
Investment income	-	-	10,368	-	10,368	10,368
Total revenues	10,000	10,000	253,478	-	253,478	243,478
EXPENDITURES	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	10,000	10,000	253,478	-	253,478	243,478
Fund balance, beginning	71,864	71,864	71,864	-	71,864	-
FUND BALANCE, ENDING	<u>\$ 81,864</u>	<u>\$ 81,864</u>	<u>\$ 325,342</u>	<u>\$ -</u>	<u>\$ 325,342</u>	<u>\$ 243,478</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual
Roadway Impact Fee #2 Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual	Adjustments	Actual	Final
	Original	Final	GAAP	Budget	Budget	Budget
			Basis	Basis	Basis	Variance
REVENUES						
Charges for service	\$ 500,000	\$ 500,000	\$ 572,456	\$ -	\$ 572,456	\$ 72,456
Investment income	-	-	35,080	-	35,080	35,080
Total revenues	500,000	500,000	607,536	-	607,536	107,536
EXPENDITURES	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	500,000	500,000	607,536	-	607,536	107,536
OTHER FINANCING SOURCES (USES)						
Transfers out	(1,200,000)	(1,200,000)	(900,000)	-	(900,000)	300,000
Total other financing sources (uses)	(1,200,000)	(1,200,000)	(900,000)	-	(900,000)	300,000
Net change in fund balance	(1,200,000)	(1,200,000)	(292,464)	-	(292,464)	407,536
Fund balance, beginning	851,285	851,285	851,285	-	851,285	-
FUND BALANCE, ENDING	\$ (2,248,715)	\$ (2,248,715)	\$ 558,821	\$ -	\$ 558,821	\$ 407,536

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual
Roadway Impact Fee #3 Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Charges for service	\$ 35,000	\$ 35,000	\$ 196,179	\$ -	\$ 196,179	\$ 161,179
Investment income	-	-	2,944	-	2,944	2,944
Total revenues	35,000	35,000	199,123	-	199,123	164,123
EXPENDITURES	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	35,000	35,000	199,123	-	199,123	164,123
Fund balance, beginning	51,080	51,080	51,080	-	51,080	-
FUND BALANCE, ENDING	<u>\$ 86,080</u>	<u>\$ 86,080</u>	<u>\$ 250,203</u>	<u>\$ -</u>	<u>\$ 250,203</u>	<u>\$ 164,123</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

Roadway Impact Fee #4 Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Charges for services	\$ 500,000	\$ 500,000	\$ 272,189	\$ -	\$ 272,189	\$ (227,811)
Investment income	25,000	25,000	173,629	(62,787)	110,842	85,842
Total revenues	525,000	525,000	445,818	(62,787)	383,031	(141,969)
EXPENDITURES	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	525,000	525,000	445,818	(62,787)	383,031	(141,969)
OTHER FINANCING SOURCES (USES)						
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	-	(2,000,000)	-
Total other financing sources (uses)	(2,000,000)	(2,000,000)	(2,000,000)	-	(2,000,000)	-
Net change in fund balance	(1,475,000)	(1,475,000)	(1,554,182)	(62,787)	(1,616,969)	(141,969)
Fund balance, beginning	2,768,202	2,768,202	2,768,202	-	2,768,202	-
FUND BALANCE, ENDING	<u>\$ 1,293,202</u>	<u>\$ 1,293,202</u>	<u>\$ 1,214,020</u>	<u>\$ (62,787)</u>	<u>\$ 1,151,233</u>	<u>\$ (141,969)</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Regional Detention Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Charges for services	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ (25,000)
Investment income	8,500	8,500	1,419	-	1,419	(7,081)
Total revenues	33,500	33,500	1,419	-	1,419	(32,081)
EXPENDITURES						
Capital outlay	50,000	50,000	-	-	-	50,000
Total expenditures	50,000	50,000	-	-	-	50,000
Excess (deficiency) of revenues over (under) expenditures	(16,500)	(16,500)	1,419	-	1,419	17,919
Fund balance, beginning	54,472	54,472	54,472	-	54,472	-
FUND BALANCE, ENDING	<u>\$ 37,972</u>	<u>\$ 37,972</u>	<u>\$ 55,891</u>	<u>\$ -</u>	<u>\$ 55,891</u>	<u>\$ 17,919</u>

City of Sherman, Texas

Schedule of Revenues, Expenditures, and Changes

In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

Perpetual Care Cemetery and Mausoleum Fund

For The Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Final Budget Variance
	Original	Final				
REVENUES						
Investment income (loss)	\$ 100	\$ 100	\$ 281,710	\$ -	\$ 281,710	\$ 281,610
Perpetual care contracts	15,000	15,000	7,000	-	7,000	(8,000)
Total revenues	15,100	15,100	288,710	-	288,710	273,610
EXPENDITURES	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	15,100	15,100	288,710	-	288,710	273,610
Fund balance, beginning	1,836,720	1,836,720	1,836,720	-	1,836,720	-
FUND BALANCE, ENDING	<u>\$ 1,851,820</u>	<u>\$ 1,851,820</u>	<u>\$ 2,125,430</u>	<u>\$ -</u>	<u>\$ 2,125,430</u>	<u>\$ 273,610</u>

City of Sherman, Texas

Combining Statement of Net Position

Internal Service Funds

September 30, 2024

	Equipment Services	Information Technology	Insurance	Fleet Replacement	Total Governmental
ASSETS					
Current:					
Cash	\$ -	\$ 203,598	\$ 1,303,203	\$ -	\$ 1,506,801
Pooled and temporary investments	-	1,291	298,377	2,228,234	2,527,902
Receivables (net allowances for uncollectibles):					
Accounts	-	-	11,651	-	11,651
Inventories	220,653	-	-	-	220,653
Due from other funds	-	-	696,231	986,855	1,683,086
Total current assets	220,653	204,889	2,309,462	3,215,089	5,950,093
Capital assets:					
Land	55,250	-	-	-	55,250
Buildings	171,916	29,485	-	-	201,401
Improvements other than buildings	40,078	61,046	-	-	101,124
Machinery and equipment	690,698	1,005,913	-	33,860,523	35,557,134
Other capital assets	-	435,940	-	-	435,940
Total capital assets	957,942	1,532,384	-	33,860,523	36,350,849
Accumulated depreciation	(642,375)	(1,238,115)	-	(18,636,491)	(20,516,981)
Capital assets, net	315,567	294,269	-	15,224,032	15,833,868
Total assets	536,220	499,158	2,309,462	18,439,121	21,783,961
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan - TMRS	246,560	198,320	-	-	444,880
OPEB - retiree health plan	15,372	12,364	-	-	27,736
OPEB - TMRS supplemental death benefit	6,026	4,847	-	-	10,873
Total deferred outflows of resources	267,958	215,531	-	-	483,489

City of Sherman, Texas

Combining Statement of Net Position (Continued)

Internal Service Funds

September 30, 2024

	Equipment Services	Information Technology	Insurance	Fleet Replacement	Total Governmental
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 164,494	\$ 95,723	\$ 94,966	\$ -	\$ 355,183
Accrued wages	24,059	13,362	-	-	37,421
Claims payable	-	-	800,821	-	800,821
Unearned revenue	-	-	5,229	-	5,229
Due to other funds	183,669	-	-	-	183,669
Current portion of long-term liabilities:					
Notes payable	-	-	-	530,890	530,890
Accrued compensated absences	58,632	63,433	-	-	122,065
Tax notes	-	-	-	6,927,303	6,927,303
Total OPEB liability - retiree health plan	15,398	12,386	-	-	27,784
Long-term liabilities (net of current portion):					
Net pension liability	474,915	381,996	-	-	856,911
Total OPEB liability - retiree health plan	116,762	93,916	-	-	210,678
Total OPEB liability - supplemental death benefit	34,170	27,485	-	-	61,655
Total liabilities	1,072,099	688,301	901,016	7,458,193	10,119,609
DEFERRED INFLOWS OF RESOURCES					
Pension plan - TMRS	19,629	15,789	-	-	35,418
OPEB - Retiree health plan	51,272	41,241	-	-	92,513
OPEB - supplemental death benefits	13,650	10,980	-	-	24,630
Total deferred inflows of resources	84,551	68,010	-	-	152,561
NET POSITION					
Net investment in capital assets	315,567	294,269	-	9,994,073	10,603,909
Unrestricted	(668,039)	(335,891)	1,408,446	986,855	1,391,371
TOTAL NET POSITION	\$ (352,472)	\$ (41,622)	\$ 1,408,446	\$ 10,980,928	\$ 11,995,280

City of Sherman, Texas

Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds For The Fiscal Year Ended September 30, 2024

	Equipment Services	Information Technology	Insurance	Fleet Replacement	Total Governmental
OPERATING REVENUES					
Charges for services	\$ 5,385,885	\$ 1,894,691	\$ 6,835,145	\$ 2,266,607	\$ 16,382,328
Property taxes	-	-	-	1,921,965	1,921,965
Miscellaneous revenue	8,225	702	58,730	-	67,657
Total operating revenues	5,394,110	1,895,393	6,893,875	4,188,572	18,371,950
OPERATING EXPENSES					
Personnel services	1,227,466	1,054,615	-	-	2,282,081
Contractual services	494,030	318,048	6,939,449	64,859	7,816,386
Supplies	1,316,108	67,667	-	-	1,383,775
Maintenance and repair	2,292,519	235,645	-	-	2,528,164
Vehicle usage	107,962	-	-	-	107,962
Depreciation and amortization	46,621	209,095	-	2,816,670	3,072,386
Total operating expenses	5,484,706	1,885,070	6,939,449	2,881,529	17,190,754
Operating income (loss)	(90,596)	10,323	(45,574)	1,307,043	1,181,196
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on sale of assets	6,440	-	-	249,408	255,848
Investment income	-	4,131	89,297	169,179	262,607
Interest expense	-	(2,689)	-	(221,555)	(224,244)
Total nonoperating revenues (expenses)	6,440	1,442	89,297	197,032	294,211
Income before contributions and transfers	(84,156)	11,765	43,723	1,504,075	1,475,407
CONTRIBUTIONS AND TRANSFERS					
Transfers out	-	(45,040)	-	-	(45,040)
Total contributions and transfers	-	(45,040)	-	-	(45,040)
Change in net position	(84,156)	(33,275)	43,723	1,504,075	1,430,367
Net position, beginning	(268,316)	(8,347)	1,364,723	9,476,853	10,564,913
NET POSITION, ENDING	<u>\$ (352,472)</u>	<u>\$ (41,622)</u>	<u>\$ 1,408,446</u>	<u>\$ 10,980,928</u>	<u>\$ 11,995,280</u>

City of Sherman, Texas
Combining Statement of Cash Flows
Internal Service Funds
For The Fiscal Year Ended September 30, 2024

	Equipment Services	Information Technology	Insurance	Fleet Replacement	Total Governmental
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from interfund services	\$ 5,394,110	\$ 1,892,993	\$ 6,194,889	\$ 5,378,765	\$ 18,860,757
Cash paid for supplies and materials	(4,134,897)	(631,765)	-	(160,851)	(4,927,513)
Cash paid for premiums, claims and administrative costs	-	-	(6,520,179)	-	(6,520,179)
Cash paid for personnel services	(1,247,573)	(1,069,800)	-	-	(2,317,373)
Net cash provided by (used for) operating activities	11,640	191,428	(325,290)	5,217,914	5,095,692
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash paid to other funds	-	(45,040)	-	-	(45,040)
Net cash provided by (used for) noncapital financing activities	-	(45,040)	-	-	(45,040)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(11,740)	(50,395)	-	(5,155,114)	(5,217,249)
Proceeds from sale of capital assets	-	-	-	249,408	249,408
Proceeds from issuance of long-term debt	-	-	-	3,532,851	3,532,851
Principal retirement of long-term debt	-	(117,758)	-	(2,469,800)	(2,587,558)
Interest paid on long-term debt	-	(2,689)	-	(221,555)	(224,244)
Net cash provided by (used for) capital and related financing activities	(11,740)	(170,842)	-	(4,064,210)	(4,246,792)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	-	4,131	89,297	169,179	262,607
Proceeds from sale of investments	-	-	676,838	-	676,838
Purchase of investments	-	(83)	-	(2,228,238)	(2,228,321)
Net cash provided by (used for) investing activities	-	4,048	766,135	(2,059,059)	(1,288,876)
Net increase (decrease) in cash	(100)	(20,406)	440,845	(905,355)	(485,016)
CASH, BEGINNING	100	224,004	862,358	905,355	1,991,817
	<u>\$ -</u>	<u>\$ 203,598</u>	<u>\$ 1,303,203</u>	<u>\$ -</u>	<u>\$ 1,506,801</u>

City of Sherman, Texas

Combining Statement of Cash Flows (Continued)

Internal Service Funds

For The Fiscal Year Ended September 30, 2024

	Equipment Services	Information Technology	Insurance	Fleet Replacement	Total Governmental
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR)					
OPERATING ACTIVITIES					
Operating income (loss)	\$ (90,596)	\$ 10,323	\$ (45,574)	\$ 1,307,043	\$ 1,181,196
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization	46,621	209,095	-	2,816,670	3,072,386
(Increase) decrease in:					
Accounts receivable (net)	-	(2,400)	(1,261)	-	(3,661)
Due from other funds	-	-	(696,231)	1,190,193	493,962
Inventories	21,701	-	-	-	21,701
Prepaid items	-	13	-	-	13
Increase (decrease) in:					
Accounts payable	159	(13,577)	91,575	(95,992)	(17,835)
Accrued wages payable	3,610	3,159	-	-	6,769
Due to other funds	50,252	-	-	-	50,252
Estimated liability for claims	-	-	327,695	-	327,695
Unearned balances	-	-	(1,494)	-	(1,494)
Accrued compensated absences	8,086	7,491	-	-	15,577
Net pension and OPEB obligations	(28,193)	(22,676)	-	-	(50,869)
Total adjustments	102,236	181,105	(279,716)	3,910,871	3,914,496
NET CASH PROVIDED BY (USED FOR)					
OPERATING ACTIVITIES	<u>\$ 11,640</u>	<u>\$ 191,428</u>	<u>\$ (325,290)</u>	<u>\$ 5,217,914</u>	<u>\$ 5,095,692</u>



Statistical Section (Unaudited)



Statistical Section

(Unaudited)

This part of the City of Sherman's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Tables

Financial Trends

These schedules contain trend information to help the reader understand how financial performance and well-being have changed over time. 136

Revenue Capacity

These schedules contain trend information to help the reader access the City's most significant local revenue source, the property tax. 146

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 164

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 171

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 174

City of Sherman, Texas

Net Position by Component (Unaudited)
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2024	2023	2022	2021
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 48,480	\$ 25,942	\$ 22,359	\$ 20,738
Restricted	4,340	3,925	2,886	6,525
Unrestricted	9,762	12,066	5,727	(5,397)
Total governmental activities net position	62,582	41,933	30,972	21,866
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	36,745	31,909	28,113	24,504
Restricted	4,952	1,060	-	-
Unrestricted	8,720	8,465	6,264	1,375
Total business-type activities net position	50,417	41,434	34,377	25,879
PRIMARY GOVERNMENT				
Net investment in capital assets	85,225	57,851	50,472	45,242
Restricted	9,292	4,985	2,886	6,525
Unrestricted	18,482	20,531	11,991	(4,022)
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 112,999</u>	<u>\$ 83,367</u>	<u>\$ 65,349</u>	<u>\$ 47,745</u>

Source: City of Sherman - Annual Comprehensive Financial Reports

Table 1

2020	2019	2018	2017	2016	2015
\$ 23,785	\$ 26,556	\$ 35,591	\$ 42,277	\$ 42,119	\$ 42,771
6,942	6,008	7,914	2,703	2,676	3,366
(12,280)	(12,343)	(8,443)	(3,683)	646	4,513
18,447	20,221	35,062	41,297	45,441	50,650
26,167	25,987	27,192	28,114	29,071	30,296
-	-	-	-	-	-
1,270	1,890	3,175	4,959	6,257	7,052
27,437	27,877	30,367	33,073	35,328	37,348
49,952	52,543	62,783	70,391	71,190	73,067
6,942	6,008	7,914	2,703	2,676	3,366
(11,010)	(10,453)	(5,268)	1,276	6,903	11,565
\$ 45,884	\$ 48,098	\$ 65,429	\$ 74,370	\$ 80,769	\$ 87,998

City of Sherman, Texas

Changes in Net Position (Unaudited)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2024	2023	2022	2021
EXPENSES				
Governmental activities:				
General government	\$ 11,640	\$ 9,479	\$ 7,798	\$ 7,089
Public safety	38,541	33,535	25,060	24,623
Streets	12,240	11,075	9,879	11,044
Sanitation	-	-	750	732
Community services	13,120	9,723	7,997	7,808
Community development	797	559	305	441
Interest on long-term debt	6,597	3,369	2,918	3,319
Total governmental activities expenses	82,935	67,740	54,707	55,056
Business-type activities:				
Water and sewer services	30,972	28,726	24,153	24,360
Solid waste services	8,566	7,359	6,334	5,730
Total business-type activities expenses	39,538	36,085	30,487	30,090
Total primary government program expenses	122,473	103,825	85,194	85,146
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	2,424	2,509	1,182	1,323
Public safety	5,948	5,691	3,900	3,137
Streets	1,877	1,887	2,540	279
Sanitation	-	-	82	75
Community services	2,056	1,295	1,356	1,084
Community development	-	-	-	-
Operating grants and contributions	3,188	1,187	1,039	2,252
Capital grants and contributions	13,204	4,646	3,637	347
Total governmental activities program revenues	28,697	17,215	13,736	8,497
Business-type activities:				
Charges for services:				
Water and sewer service	34,492	33,940	30,487	23,877
Solid waste service	8,988	7,907	7,589	7,466
Capital grants and contributions	7,873	2,615	3,191	600
Total business-type activities program revenues	51,353	44,462	41,267	31,943
Total primary government program revenues	80,050	61,677	55,003	40,440
NET (EXPENSE) REVENUE				
Governmental activities	(54,238)	(50,525)	(40,971)	(46,559)
Business-type activities	11,815	8,377	10,780	1,853
Total primary government net expense	(42,423)	(42,148)	(30,191)	(44,706)

Table 2
(Page 1 of 2)

2020	2019	2018	2017	2016	2015
\$ 7,070	\$ 6,592	\$ 6,411	\$ 7,061	\$ 9,178	\$ 6,303
25,886	24,076	21,056	21,582	19,655	18,221
10,492	19,873	9,156	7,053	6,481	7,024
959	858	734	778	748	716
7,281	6,595	6,054	5,874	5,760	5,398
441	351	231	321	339	277
2,678	2,461	1,672	1,491	665	560
54,807	60,806	45,314	44,160	42,826	38,499
24,961	24,346	23,098	21,591	20,569	18,760
6,600	6,584	6,321	4,876	4,692	4,423
31,561	30,930	29,419	26,467	25,261	23,183
86,368	91,736	74,733	70,627	68,087	61,682
780	842	446	78	88	97
3,165	3,518	3,784	3,383	2,512	2,635
359	213	153	137	99	102
77	94	109	106	125	139
811	1,083	903	965	868	1,194
1,716	-	-	-	-	-
1,254	1,030	331	402	183	1,504
2,984	156	685	407	546	247
11,146	6,936	6,411	5,478	4,421	5,918
23,213	22,229	22,481	20,760	20,674	20,548
7,122	6,943	6,690	6,264	6,218	5,763
2,129	1,391	1,322	389	289	546
32,464	30,563	30,493	27,413	27,181	26,857
43,610	37,499	36,904	32,891	31,602	32,775
(43,661)	(53,870)	(38,903)	(38,682)	(38,405)	(32,581)
903	(367)	1,074	946	1,920	3,674
(42,758)	(54,237)	(37,829)	(37,736)	(36,485)	(28,907)

City of Sherman, Texas

Changes in Net Position (Unaudited)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2024	2023	2022	2021
GENERAL REVENUE AND CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	27,864	20,837	18,613	17,627
Sales	30,207	29,672	25,229	21,564
Franchise, nonproperty, and special assessment	4,452	4,313	4,057	3,651
Investment earnings	6,489	1,902	(814)	325
Grants, donations, and special items	968	873	362	240
Gain/(loss) on sale of fixed assets	256	-	-	3,046
Transfers	4,651	3,890	3,358	3,526
Total governmental activities	74,887	61,487	50,805	49,979
Business-type activities:				
Investment earnings	725	535	9	14
Grants, donations, and special items	1,043	2,063	1,067	101
Gain/(loss) on sale of fixed assets	51	(29)	-	-
Transfers	(4,651)	(3,890)	(3,358)	(3,526)
Total business-type activities	(2,832)	(1,321)	(2,282)	(3,411)
Total primary government	72,055	60,166	48,523	46,568
CHANGE IN NET POSITION				
Governmental activities	20,649	10,962	9,834	3,420
Business-type activities	8,983	7,056	8,498	(1,558)
CHANGE IN NET POSITION - TOTAL PRIMARY GOVERNMENT	\$ 29,632	\$ 18,018	\$ 18,332	\$ 1,862

Source: City of Sherman - Annual Comprehensive Financial Reports

Table 2
(Page 2 of 2)

2020	2019	2018	2017	2016	2015
16,271	13,057	12,127	10,808	9,341	8,811
18,696	18,024	17,839	15,563	15,636	15,058
3,447	3,568	3,655	3,490	3,425	3,618
483	1,054	489	353	154	20
359	496	226	303	222	136
31	(47)	2,035	(35)	9	-
2,599	2,878	2,515	4,056	4,409	5,202
41,886	39,030	38,886	34,538	33,196	32,845
94	173	40	45	66	57
1,161	581	516	810	402	65
-	-	-	-	-	-
(2,599)	(2,878)	(2,515)	(4,056)	(4,408)	(5,202)
(1,344)	(2,124)	(1,959)	(3,201)	(3,940)	(5,080)
40,542	36,906	36,927	31,337	29,256	27,765
(1,775)	(14,840)	(17)	(4,144)	(5,209)	264
(441)	(2,491)	(885)	(2,255)	(2,020)	(1,406)
\$ (2,216)	\$ (17,331)	\$ (902)	\$ (6,399)	\$ (7,229)	\$ (1,142)

City of Sherman, Texas

Fund Balances of Governmental Funds (Unaudited)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	2024	2023	2022	2021
GENERAL FUND				
Nonspendable	\$ 1	\$ 1	\$ -	\$ 1
Restricted	55	30	11	11
Assigned	57	85	70	554
Unassigned	24,253	22,688	18,299	16,339
Total general fund	24,366	22,804	18,380	16,905
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	115	116	100	100
Restricted	66,581	94,090	25,025	43,246
Committed	548	515	473	462
Assigned	1,452	1,432	2,299	9
Unassigned	(1,172)	(613)	(200)	(103)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 67,524</u>	<u>\$ 95,540</u>	<u>\$ 27,697</u>	<u>\$ 43,714</u>

Source: City of Sherman - Annual Comprehensive Financial Reports

Table 3

2020	2019	2018	2017	2016	2015
\$ -	\$ -	\$ -	\$ -	\$ 87	\$ -
3	3	1	11	8	6
216	58	52	38	69	141
12,527	11,297	11,504	9,344	10,056	10,949
12,746	11,358	11,557	9,393	10,220	11,096
-	-	-	-	-	-
16,918	28,019	29,835	24,536	2,761	3,420
460	450	437	426	422	419
-	-	528	460	9,832	1,758
(44)	(1,029)	(20)	-	-	-
\$ 17,334	\$ 27,440	\$ 30,780	\$ 25,422	\$ 13,015	\$ 5,597

City of Sherman, Texas

Changes in Fund Balances of Governmental Funds (Unaudited)

Last Ten Fiscal Years

(Amounts Expressed in Thousands)

	2024	2023	2022	2021
REVENUES				
Taxes	\$ 60,438	\$ 54,482	\$ 47,471	\$ 42,838
Licenses and permits	3,054	2,874	1,097	811
Intergovernmental	2,296	1,300	1,853	2,528
Charges for services	8,945	7,693	7,096	4,303
Fines	900	704	474	383
Investment earnings	6,226	1,651	(865)	321
Donations	121	86	72	52
Miscellaneous	901	943	770	315
Total revenues	82,881	69,733	57,968	51,551
EXPENDITURES				
General government	11,062	8,924	7,946	7,166
Public safety	36,405	32,516	27,010	24,750
Highways and streets	6,386	5,701	7,081	6,690
Sanitation	-	-	871	710
Community services	10,677	9,085	7,809	7,076
Community development	790	575	310	446
Capital outlay	37,255	14,984	17,972	5,604
Debt service:				
Principal	5,614	4,097	3,762	3,125
Interest	6,302	3,149	3,483	2,785
Debt issuance costs and agent fees	8	290	-	-
Total expenditures	114,499	79,321	76,244	58,352
Excess (deficiency) of revenues over (under) expenditures	(31,618)	(9,588)	(18,276)	(6,801)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	468	73,687	334	29,025
Premium on bond issuance	-	4,394	-	1,130
Issuance of refunding debt	-	-	-	-
Proceeds from sale of assets	-	171	43	3,648
Insurance recoveries	-	-	-	-
Paid to refunding bond agent	-	-	-	-
Transfers in	9,980	6,122	5,956	5,459
Transfers out	(5,284)	(2,519)	(2,598)	(1,933)
Total other financing sources/(uses)	5,164	81,855	3,735	37,329
NET CHANGE IN FUND BALANCES	<u>\$ (26,454)</u>	<u>\$ 72,267</u>	<u>\$ (14,541)</u>	<u>\$ 30,528</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	15.1%	11.9%	13.7%	10.1%

Source: City of Sherman - Annual Comprehensive Financial Reports

Table 4

2020	2019	2018	2017	2016	2015
\$ 38,390	\$ 34,562	\$ 33,585	\$ 29,934	\$ 28,327	\$ 27,269
609	691	824	503	404	371
3,568	1,392	957	762	714	572
3,744	3,759	3,929	3,502	2,927	2,977
391	693	562	726	527	571
463	1,013	461	350	154	20
157	60	86	53	43	39
327	705	276	330	220	1,579
47,649	42,875	40,680	36,160	33,316	33,398
6,634	6,157	6,396	5,408	5,337	5,209
23,151	22,235	21,346	19,409	18,400	17,669
6,123	15,389	6,190	3,374	2,997	2,557
913	793	730	714	704	701
6,328	5,719	5,367	4,954	4,727	4,496
447	348	244	316	335	278
10,682	13,921	17,218	9,332	2,955	2,678
3,475	2,490	1,810	1,300	830	795
2,753	2,370	1,826	1,180	619	547
-	-	-	-	-	-
60,506	69,422	61,127	45,987	36,904	34,930
(12,857)	(26,547)	(20,447)	(9,827)	(3,588)	(1,532)
-	19,130	22,880	18,110	8,800	-
-	1,001	501	1,701	304	-
-	-	-	9,360	-	-
-	-	2,030	51	438	39
-	-	42	-	-	-
-	-	-	(9,887)	-	-
5,547	4,784	5,220	3,926	3,985	5,500
(1,398)	1,906	(2,705)	(1,854)	(3,398)	(3,348)
4,149	23,009	27,968	21,407	10,129	2,191
\$ (8,708)	\$ (3,538)	\$ 7,521	\$ 11,580	\$ 6,541	\$ 659
13.6%	9.9%	9.7%	6.8%	4.3%	4.0%

City of Sherman, Texas

Assessed Value and Estimated Actual Value
of Taxable Property (Unaudited)
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Real Property		Nonreal Property		Less Exemptions and Deductions
	Residential	Commercial	Personal	Other	
2024	\$ 3,129,649	\$ 3,745,687	\$ 1,034,278	\$ 17,096	\$ 2,136,885
2023	2,483,580	3,316,723	942,430	11,251	1,835,813
2022	1,885,385	2,691,186	882,487	7,961	1,328,877
2021	1,637,409	2,393,564	930,870	10,535	1,135,229
2020	1,479,006	2,124,113	824,371	14,758	1,022,390
2019	1,352,065	1,956,251	678,475	13,927	886,541
2018	1,193,741	1,945,413	664,170	15,020	931,450
2017	1,091,578	1,865,518	643,397	12,743	831,983
2016	1,024,035	1,856,599	584,425	18,012	962,223
2015	872,907	1,724,365	643,252	27,226	893,233

Source: Grayson Central Appraisal District

Certified values are subject to change throughout the year as contested values are resolved.

Note: Assessed values are determined as of January 1, and relate to taxes levied on the first day of the following year. Assessed value is equal to 100% of estimated value. All property is assessed the same regardless of real or personal property, commercial, residential, or industrial.

Table 5

Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value of Taxable Property	Per Capita Assessed Value
\$ 5,789,825	\$ 0.5080	\$ 5,789,825	\$ 131,432
4,918,171	0.4699	4,918,171	113,655
4,138,142	0.4890	4,138,142	95,704
3,837,149	0.4890	3,837,149	87,917
3,419,858	0.4890	3,419,858	78,356
3,114,177	0.4273	3,114,177	75,681
2,886,894	0.4273	2,886,894	71,206
2,781,253	0.3943	2,781,253	69,337
2,520,848	0.3720	2,520,848	63,708
2,374,517	0.3720	2,374,517	60,700

City of Sherman, Texas

Classification of Assessed Valuation

Last Ten Fiscal Years

Category	Tax Year 2023	% of Total	Tax Year 2022	% of Total	Tax Year 2021	% of Total	Tax Year 2020	% of Total
Real, residential, single-family	\$ 3,103,725,885	39.16%	\$ 2,631,296,750	38.96%	\$ 2,009,895,618	36.76%	\$ 1,758,924,147	35.37%
Real, residential, multi-family	386,234,173	4.87%	328,454,417	4.86%	283,139,771	5.18%	235,389,545	4.73%
Real, vacant lots/tracts	141,190,801	1.78%	105,842,355	1.57%	72,022,560	1.32%	63,210,347	1.27%
Real, acreage	296,933,983	3.75%	220,962,309	3.27%	116,038,699	2.12%	110,137,273	2.21%
Real, farm & ranch improvements	121,143,311	1.53%	49,686,838	0.74%	44,004,655	0.80%	41,976,783	0.84%
Real, commercial	1,155,244,602	14.57%	1,082,394,559	16.03%	895,223,349	16.37%	865,871,126	17.41%
Real, industrial	738,908,827	9.32%	586,705,475	8.69%	540,653,003	9.89%	512,166,415	10.30%
Oil & gas	16,877,830	0.21%	11,066,520	0.16%	6,444,986	0.12%	8,263,130	0.17%
Utilities	109,684,557	1.38%	98,658,622	1.46%	90,476,011	1.65%	81,865,542	1.65%
Tangible personal, commercial	374,682,802	4.73%	353,012,598	5.23%	309,388,018	5.66%	294,808,501	5.93%
Tangible personal, industrial	503,683,408	6.35%	449,035,022	6.65%	444,998,018	8.14%	526,294,089	10.58%
Mobile homes	5,613,163	0.07%	5,082,660	0.08%	3,243,521	0.06%	3,132,688	0.06%
Intangible property	-	0.00%	-	0.00%	6,468	0.00%	-	0.00%
Exempt	867,835,245	10.95%	771,742,595	11.43%	599,718,098	10.97%	421,318,648	8.47%
Real property, inventory	104,951,061	1.32%	60,043,585	0.89%	51,766,100	0.95%	49,019,306	0.99%
Total appraised value	7,926,709,648	100.00%	6,753,984,305	100.00%	5,467,018,875	100.00%	4,972,377,540	100.00%
Less:								
Local over-65/disabled	92,776,326		90,697,998		90,751,051		87,472,969	
Community housing	-		4,254,805		3,717,005		3,300,000	
Freeport exemption loss	160,756,942		138,752,880		107,184,485		116,126,760	
Productivity	295,612,597		219,669,855		114,813,248		108,704,423	
Abatement	220,116,531		219,705,138		242,080,397		279,182,548	
Homestead cap loss	391,829,663		300,532,863		92,981,198		66,573,618	
Pollution control exemption loss	49,650,859		49,170,015		43,005,842		22,590,402	
Veterans exemption loss	57,209,660		45,047,270		37,932,176		32,794,646	
Exempt	868,932,701		767,981,878		596,411,735		418,483,604	
Total exemptions/deductions	2,136,885,279		1,835,812,702		1,328,877,137		1,135,228,970	
NET TAXABLE ASSESSED VALUATION	\$ 5,789,824,369		\$ 4,918,171,603		\$ 4,138,141,738		\$ 3,837,148,570	

Source: Grayson Central Appraisal District

Certified values are subject to change throughout the year as contested values are resolved.

Table 6

Tax Year 2019	% of Total	Tax Year 2018	% of Total	Tax Year 2017	Total	Tax Year 2016	Total	Tax Year 2015	Total	Tax Year 2014	Total
\$ 1,571,990,435	35.39%	\$ 1,440,633,426	36.01%	\$ 1,271,730,740	33.31%	\$ 1,172,256,310	32.44%	\$ 996,337,134	28.61%	\$ 950,035,956	29.07%
209,348,951	4.71%	186,727,671	4.67%	171,592,703	4.49%	145,169,098	4.02%	137,353,565	3.94%	133,771,157	4.09%
56,163,717	1.26%	43,976,830	1.10%	37,089,674	0.97%	36,562,019	1.01%	37,093,687	1.06%	36,858,532	1.13%
90,225,890	2.03%	87,769,981	2.19%	85,560,844	2.24%	79,268,497	2.19%	75,791,961	2.18%	76,112,901	2.33%
35,064,698	0.79%	29,536,003	0.74%	26,368,480	0.69%	27,381,695	0.76%	25,543,317	0.73%	25,326,663	0.78%
788,778,665	17.76%	755,143,573	18.88%	741,982,423	19.43%	727,043,765	20.12%	656,344,646	18.84%	611,588,356	18.72%
472,104,302	10.63%	399,775,501	9.99%	419,523,237	10.99%	452,398,809	12.53%	534,042,357	15.33%	443,154,265	13.56%
11,682,888	0.26%	9,970,358	0.25%	10,325,892	0.27%	7,583,006	0.21%	14,370,088	0.41%	23,122,330	0.71%
75,543,469	1.70%	65,490,107	1.64%	62,022,277	1.62%	62,764,999	1.74%	60,125,951	1.73%	54,838,785	1.68%
283,328,263	6.38%	242,497,504	6.06%	232,822,211	6.10%	225,091,030	6.23%	227,394,003	6.53%	228,665,101	7.00%
439,320,769	9.89%	351,613,421	8.79%	351,338,418	9.20%	336,018,163	9.30%	377,369,508	10.83%	343,301,158	10.51%
2,836,953	0.06%	2,414,806	0.06%	2,311,951	0.06%	2,288,864	0.06%	2,373,920	0.07%	2,529,051	0.08%
-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
364,255,932	8.20%	351,968,446	8.80%	374,133,097	9.80%	313,988,437	8.69%	315,067,825	9.05%	316,851,742	9.70%
41,602,675	0.94%	33,200,075	0.83%	31,541,579	0.83%	25,420,914	0.70%	23,863,035	0.69%	21,594,872	0.66%
4,442,247,607	100.00%	4,000,717,702	100.00%	3,818,343,526	100.00%	3,613,235,606	100.01%	3,483,070,997	100.00%	3,267,750,869	100.00%
88,147,460		83,095,775		83,649,627		80,301,080		79,273,899		79,182,065	
3,322,189		2,972,484		2,754,411		2,724,952		2,669,627		2,721,914	
94,958,354		82,495,763		81,811,147		84,319,146		118,381,149		97,512,827	
88,654,461		86,188,622		83,945,484		77,756,203		74,265,056		74,612,662	
294,237,452		189,930,489		221,084,611		184,485,769		326,424,014		287,767,443	
47,090,303		51,629,355		45,332,278		51,609,559		5,756,978		1,993,490	
16,344,385		17,856,105		20,737,245		22,957,482		28,342,360		21,818,194	
28,353,055		23,058,013		20,586,320		16,565,434		14,711,729		13,422,653	
361,282,732		349,314,140		371,548,465		311,263,484		312,398,198		314,202,143	
1,022,390,391		886,540,746		931,449,588		831,983,109		962,223,010		893,233,391	
<u>\$ 3,419,857,216</u>		<u>\$ 3,114,176,956</u>		<u>\$ 2,886,893,938</u>		<u>\$ 2,781,252,497</u>		<u>\$ 2,520,847,987</u>		<u>\$ 2,374,517,478</u>	

City of Sherman, Texas

Direct and Overlapping Property Tax Rates*
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	City of Sherman Rates			Overlapping Rates ⁽¹⁾		
				Grayson County		
	Operating	Debt Service	Total	Operating	Debt Service	Total
2024	0.26377	0.24423	0.50800	0.28161	0.02349	0.30510
2023	0.26536	0.20458	0.46993	0.29614	0.00896	0.30510
2022	0.30558	0.18342	0.48900	0.32820	0.01080	0.33900
2021	0.33757	0.15143	0.48900	0.36446	0.01225	0.37670
2020	0.33844	0.15056	0.48900	0.40397	0.01246	0.41643
2019	0.31956	0.10774	0.42730	0.42791	0.01390	0.44181
2018	0.34759	0.07971	0.42730	0.46037	0.00000	0.46037
2017	0.34789	0.04641	0.39430	0.47372	0.00000	0.47372
2016	0.33244	0.03956	0.37200	0.49090	0.00000	0.49090
2015	0.33000	0.04220	0.37220	0.49090	0.00000	0.49090

Source: Grayson Central Appraisal District

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Sherman. Not all overlapping rates apply to all City of Sherman property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district)

*Property tax rates for the three entities with the largest amount of overlapping properties in the City of Sherman are shown above. Other entities with a smaller percentage of overlapping properties include S&S Consolidated ISD, Denison ISD, Howe ISD and Whitewright ISD. See Table 17 for all overlapping debt.

Table 7

Overlapping Rates ⁽¹⁾						
Sherman Independent School District			Grayson College			Total Direct and Overlapping Rates*
Operating	Debt Service	Total	Operating	Debt Service	Total	
0.75750	0.47900	1.23650	0.11941	0.02658	0.14599	2.19559
0.94290	0.47900	1.42190	0.12488	0.02182	0.14670	2.34363
0.96030	0.47900	1.43930	0.14150	0.02655	0.16805	2.43535
0.99070	0.47900	1.46970	0.14150	0.02957	0.17107	2.50647
1.06830	0.47900	1.54730	0.14068	0.03107	0.17175	2.62448
1.17000	0.47900	1.64900	0.14239	0.03494	0.17733	2.69544
1.17000	0.27000	1.44000	0.14034	0.04086	0.18120	2.50887
1.17000	0.27000	1.44000	0.13612	0.04518	0.18130	2.48932
1.17000	0.27000	1.44000	0.13384	0.04756	0.18140	2.48430
1.04000	0.40000	1.44000	0.13059	0.05091	0.18150	2.48460

City of Sherman, Texas

Principal Property Taxpayers (Unaudited)
Current Year and Nine Years Ago
(Amounts Expressed in Thousands)

Table 8

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Panda Sherman Power LLC	\$ 153,336	1	2.65%	\$ 27,719	3	1.23%
Texas Instruments INC	147,769	2	2.55%	-		-
Tyson Fresh Meats INC	82,418	3	1.42%	-		-
JMCR Sherman LLC	56,343	4	0.97%	-		-
Finisar Sherman RE Holdco LLC	52,914	5	0.91%	-		-
Oncor Electric Delivery Co LLC	49,417	6	0.85%	22,069	5	0.98%
Globitech Incorporated	38,522	7	0.67%	-		-
Sherman Commons LP	34,207	8	0.59%	20,348	7	0.90%
First United Bank and Trust	29,682	9	0.51%	-		-
Coherent Corp	27,858	10	0.48%	-		-
MB Sherman Town Center LP	-		-	46,291	1	2.05%
Sherman Grayson Hospital LLC	-		-	30,816	2	1.37%
Texas Instruments	-		-	22,579	4	1.00%
Sunny Delight	-		-	21,109	6	0.94%
MEMC Southwest INC	-		-	20,122	8	0.89%
Progress Rail Service	-		-	19,174	9	0.85%
Texas Instruments INC	-		-	17,499	10	0.78%
TOTALS	\$ 672,466		11.61%	\$ 247,726		10.99%
TOTAL TAXABLE ASSESSED VALUE	\$ 5,789,825			\$ 2,374,517		

Source: Grayson Central Appraisal District

City Of Sherman, Texas

Property Tax Levies and Collections (Unaudited)

Last Ten Fiscal Years

(Amounts Expressed in Thousands)

Table 9

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 27,746	\$ 27,219	98.10%	-	\$ 27,219	98.10%
2023	21,936	21,665	98.76%	94	21,759	99.19%
2022	19,197	18,974	98.84%	134	19,108	99.54%
2021	17,891	17,653	98.67%	119	17,772	99.33%
2020	16,225	15,961	98.38%	137	16,098	99.22%
2019	12,905	12,699	98.40%	124	12,823	99.36%
2018	12,056	11,918	98.86%	89	12,007	99.59%
2017	10,779	10,592	98.27%	107	10,699	99.26%
2016	9,324	9,125	97.87%	177	9,302	99.76%
2015	8,796	8,665	98.51%	79	8,744	99.40%

Source: Grayson County Tax Assessor Collector. Certified values are subject to change throughout the year as contested values are resolved.



City of Sherman, Texas

Sales Tax Collections

Last Ten Fiscal Years

Table 10

Fiscal Year	Sales Tax Collections	Property Tax Levy	Local Sales Tax Rate	State Sales Tax Rate	Percent of Property Tax Levy	Equivalent Property Tax Rate
2024	30,010,369	27,746,440	2.000%	6.250%	108.16%	0.5183
2023	29,544,514	21,936,324	2.000%	6.250%	134.68%	0.6007
2022	23,875,173	19,196,760	2.000%	6.250%	124.37%	0.5770
2021	21,037,726	17,890,744	2.000%	6.250%	117.59%	0.5483
2020	18,494,327	16,224,684	2.000%	6.250%	113.99%	0.5408
2019	17,969,235	12,904,653	2.000%	6.250%	139.25%	0.5770
2018	17,454,767	12,056,000	2.000%	6.250%	144.78%	0.6046
2017	15,572,318	10,779,000	2.000%	6.250%	144.47%	0.5599
2016	15,487,150	9,324,000	2.000%	6.250%	166.10%	0.6144
2015	14,699,706	8,796,000	2.000%	6.250%	167.12%	0.6191

City of Sherman, Texas
Sales Tax Collections by Industry
Last Ten Fiscal Years*

Industry	2024	Percent of Total Collection	2023	Percent of Total Collection	2022	Percent of Total Collection	2021	Percent of Total Collection
Retail trade	\$ 13,655,620	45.5%	\$ 13,652,689	46.2%	\$ 13,020,171	54.5%	\$ 11,959,706.00	56.8%
Accommodation and food service	2,811,848	9.4%	2,666,419	9.0%	2,505,611	10.5%	2,242,472	10.7%
Manufacturing	4,625,894	15.4%	6,227,202	21.1%	1,639,651	6.9%	1,098,243	5.2%
Wholesale trade	1,836,701	6.1%	1,963,581	6.6%	2,596,756	10.9%	1,739,812	8.3%
Information	456,319	1.5%	381,236	1.3%	861,519	3.6%	791,597	3.8%
Utilities	1,310,252	4.4%	1,298,779	4.4%	1,006,366	4.2%	975,229	4.6%
Construction	939,691	3.1%	743,095	2.5%	731,521	3.1%	544,988	2.6%
Admin support	374,651	1.2%	333,092	1.1%	309,180	1.3%	324,274	1.5%
Real estate/rental/leasing	801,674	2.7%	662,409	2.2%	601,247	2.5%	549,176	2.6%
Other	3,197,718	10.7%	1,616,014	5.5%	603,151	2.5%	812,229	3.9%
	<u>\$ 30,010,368</u>	<u>100%</u>	<u>\$ 29,544,516</u>	<u>100%</u>	<u>\$ 23,875,173</u>	<u>100%</u>	<u>\$ 21,037,726</u>	<u>100%</u>

No other entity's sales tax overlaps the City of Sherman's sales tax.

Table 11

2020	Percent of Total Collection	2019	Percent of Total Collection	2018	Percent of Total Collection	2017	Percent of Total Collection	2016	Percent of Total Collection	2015	Percent of Total Collection
\$ 9,510,633	51.4%	\$ 9,407,653	52.4%	\$ 9,120,215	52.3%	\$ 8,929,151	57.3%	\$ 8,619,109	55.7%	\$ 8,030,977	54.6%
1,992,860	10.8%	2,126,404	11.8%	1,986,397	11.4%	1,874,712	12.0%	1,761,217	11.4%	1,631,949	11.1%
1,093,158	5.9%	935,340	5.2%	934,049	5.4%	856,743	5.5%	1,175,919	7.6%	1,008,652	6.9%
1,233,768	6.7%	1,261,981	7.0%	1,029,163	5.9%	986,180	6.3%	897,047	5.8%	861,791	5.9%
1,001,891	5.4%	1,088,823	6.1%	991,374	5.7%	883,113	5.7%	863,364	5.6%	789,066	5.4%
1,037,478	5.6%	977,013	5.4%	960,450	5.5%	765,113	4.9%	790,238	5.1%	579,040	3.9%
577,987	3.1%	665,426	3.7%	1,188,939	6.8%	103,946	0.7%	447,532	2.9%	382,718	2.6%
328,378	1.8%	255,778	1.4%	184,320	1.1%	151,075	1.0%	103,427	0.7%	313,191	2.1%
486,146	2.6%	434,542	2.4%	432,428	2.5%	391,789	2.5%	331,629	2.1%	319,813	2.2%
1,232,029	6.7%	816,275	4.5%	627,431	3.6%	630,297	4.0%	497,667	3.2%	782,509	5.3%
<u>\$ 18,494,328</u>	<u>100%</u>	<u>\$ 17,969,235</u>	<u>100%</u>	<u>\$ 17,454,766</u>	<u>100%</u>	<u>\$ 15,572,119</u>	<u>100%</u>	<u>\$ 15,487,149</u>	<u>100%</u>	<u>\$ 14,699,706</u>	<u>100%</u>



City of Sherman, Texas

Water and Sewer Rates

Last Ten Fiscal Years

Table 12

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water:										
Monthly Base Rate	25.39	24.18	24.18	23.48	22.8	22.8	22.8	22.14	21.39	21.39
Rate per 1,000 Gallons:										
1,500 - 20,000 gal	3.64	3.47	3.47	3.27	3.27	3.27	3.27	3.17	3.06	3.06
20,001 - 100,000 gal	4.64	3.72	*	*	*	*	*	*	*	*
100,001 - 500,000 gal	5.64	3.97	*	*	*	*	*	*	*	*
500,001 - 15,000,000 gal	6.64	4.22	*	*	*	*	*	*	*	*
15,000,001 gal and above	8.14	**	*	*	*	*	*	*	*	*
Sewer:										
Monthly Base Rate	10.12	9.29	9.29	8.68	8.19	8.19	8.19	7.95	7.68	7.68
Rate per 1,000 Gallons:										
1,500-100,000 gal	4.30	3.95	3.95	3.69	3.48	3.48	3.48	3.38	3.27	3.27
100,001-500,000 gal	5.30	4.20	*	*	*	*	*	*	*	*
500,001-15,000,000 gal	6.30	4.45	*	*	*	*	*	*	*	*
15,000,001 gal and above	12.00	**	*	*	*	*	*	*	*	*

* Rate per 1,000 was a flat rate in fiscal years 2022 and prior.

** The highest tier in the rate structure in fiscal year 2023 was 500,001 and above.

City of Sherman, Texas

Water Sold by Type of Customer

Last Ten Fiscal Years

(Revenue Amounts Expressed in Thousands)

Type of Customer	2024		2023		2022		2021	
	Thousands of Gallons	Revenues	Thousands of Gallons	Revenues	Thousands of Gallons	Revenues	Thousands of Gallons	Revenue
Residential	\$ 1,282,896.7	9,403.0	\$ 1,329,606.3	9,235.7	\$ 1,337,947.8	8,854	\$ 1,158,597.1	7,925
Commercial	1,587,009.8	8,376	1,202,091.5	5,729	1,207,097.3	5,566	1,083,822.1	4,995
Other water providers	1,067,270.2	2,438	761,211.4	1,275	744,191.9	1,149	686,330.9	1,071
Outside city limits	13,494.2	217	14,085.1	219	14,502.4	208	12,741.4	187
Government	65,066.3	*	60,549.2	*	55,367.3	*	51,972.8	*
Fire hydrants	60,337.7	457	52,584.6	344	48,308.1	261	24,027.1	171
Yard	97,546.1	491	**	**	**	**	**	**
TOTALS	\$ 4,173,621.0	21,382	\$ 3,420,128.1	16,801	\$ 3,407,414.8	16,038	\$ 3,017,491.4	14,349

*Revenues breakdown not available.

**Previously rolled up in Residential, Commercial, etc.

Table 13

2020		2019		2018		2017		2016		2015	
Thousands of Gallons	Revenues	Thousands of Gallons	Revenues	Thousands of Gallons	Revenues	Thousands of Gallons	Revenues	Thousands of Gallons	Revenue	Thousands of Gallons	Revenues
\$ 1,181,406.4	7,909	\$ 1,045,238.3	7,354	\$ 1,197,155.7	7,737	\$ 1,081,291.8	6,967	\$ 7,168.0	6,885	\$ 1,064,108.6	6,725
1,146,574.8	5,181	1,122,412.6	5,077	1,165,800.1	5,182	1,131,942.7	4,900	1,189,118.6	4,916	1,145,259.4	4,801
623,761.9	968	613,248.5	992	826,897.6	980	752,723.7	943	817,598.7	1,062	730,105.0	1,012
11,325.3	157	7,389.3	107	7,811.1	105	6,852.5	92	6,204.7	83	6,116.5	79
38,108.6	*	42,280.2	*	54,277.7	*	54,197.6	*	45,735.6	*	41,052.6	*
13,475.6	136	8,690.0	108	10,810.5	86	4,443.5	48	7,951.1	57	4,450.9	45
**	**	**	**	**	**	**	**	**	**	**	**
<u>\$ 3,014,652.6</u>	<u>14,351</u>	<u>\$ 2,839,258.9</u>	<u>13,638</u>	<u>\$ 3,262,752.7</u>	<u>14,090</u>	<u>\$ 3,031,451.8</u>	<u>12,950</u>	<u>\$ 2,073,776.7</u>	<u>13,003</u>	<u>\$ 2,991,093.0</u>	<u>12,662</u>



City of Sherman, Texas
Top Ten Water Customers
September 30, 2023

Table 14

Customer	Consumption (In Millions of Gallons)	Revenues (In Thousands)	Rank	% of Total Water Revenues
Rayburn Energy Station LLC	763.3	\$ 1,177.1	1	5.505%
Texas Instruments, Inc.	338.3	1,527.3	2	7.143%
Globitech, Inc	169.0	744.8	3	3.483%
IBP, Inc	134.3	586.3	4	2.742%
Sunny Delight Beverages	77.5	337.7	5	1.579%
Mustand SUD	65.8	292.0	6	1.366%
Finisar	55.5	237.2	7	1.109%
Austin College	52.7	323.0	8	1.511%
Sherman ISD	34.4	219.9	9	1.028%
Northside on Travis, LTD	26.0	149.9	10	0.701%
TOTAL	1,716.8	5,595.2		26.17%

Note: Total billed water from October 1, 2023 through September 30, 2024 was \$21,381,632.

City of Sherman, Texas

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Amounts Express in Thousands)

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Note Payable	Leases	SBITA's
2024	\$ 4,652	\$ 161,483	\$ 7,508	\$ 531	\$ -	\$ 102
2023	5,587	166,285	5,381	1,259	-	327
2022	6,501	91,563	3,298	1,984	102	-
2021	7,386	94,549	1,795	2,668	-	-
2020	8,250	66,837	-	3,331	-	-
2019	8,495	69,180	470	3,103	-	-
2018	9,914	50,399	935	2,366	-	-
2017	10,669	28,291	1,395	-	-	-
2016	1,210	18,499	1,830	162	-	-
2015	1,270	11,995	-	373	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Personal income and population data can be found in the Schedule of Demographic and Economics Statistics (Table 20).

Table 15

Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
Water and Sewer Bonds	Note Payable	Leases	SBITA's	Other			
\$ -	\$ -	\$ -	\$ 51	\$ 1,803	\$ 176,130	13.06%	\$ 3,998
-	-	-	101	1,940	180,880	15.85%	4,180
-	32	36	-	2,072	105,588	9.85%	2,442
-	158	-	-	2,201	108,757	10.47%	2,492
-	282	-	-	2,326	81,026	8.03%	1,910
-	434	-	-	2,437	84,119	8.81%	2,044
-	524	-	-	2,544	66,682	7.42%	1,645
-	641	-	-	2,647	43,643	4.94%	1,088
-	757	-	-	2,746	25,204	2.91%	658
-	-	-	-	2,842	16,480	1.93%	430

City of Sherman, Texas**Table 16**

Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 (Amounts Express in Thousands)

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita ⁽²⁾
2024	\$ 4,652	\$ 161,483	\$ 166,135	2.87%	3,771
2023	5,587	166,285	171,872	3.49%	3,972
2022	6,501	91,563	98,064	2.37%	2,268
2021	7,386	94,549	101,935	2.66%	2,336
2020	8,250	66,837	75,087	2.20%	1,770
2019	8,495	69,180	77,675	2.49%	1,888
2018	9,914	50,399	60,313	2.09%	1,488
2017	10,069	28,291	38,360	1.38%	956
2016	1,210	18,499	19,709	0.78%	514
2015	1,270	11,995	13,265	0.56%	346

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data (Table 5).

⁽²⁾ Population data can be found in the Schedule of Demographic and Economic Statistics (Table 20).

City of Sherman, Texas

Table 17

Direct and Overlapping Governmental Activities Debt
September 30, 2023
(Amounts Express in Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City of Sherman direct debt	\$ 174,276	100.00%	\$ 174,276
Debt repaid with property taxes:			
Sherman ISD	408,200	90.76%	370,481
Grayson County	36,030	28.24%	10,175
Grayson College	12,775	28.24%	3,608
S & S Consolidated ISD	24,725	23.78%	5,880
Denison ISD	203,470	4.23%	8,607
Howe ISD	19,140	3.14%	601
Whitewright ISD	18,010	0.25%	45
Subtotal, overlapping debt			399,397
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 573,673
Ratio of direct and overlapping debt to assessed value			9.9%
Per capita direct and overlapping debt			\$ 13,023

Sources: Estimated applicable percentages and debt outstanding for overlapping entities were obtained from the Texas Municipal Advisory Council.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Sherman. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each

City of Sherman, Texas

Legal Debt Margin Information
Last Ten Fiscal Years
(Amounts Express in Thousands)

	2024	2023	2022	2021
Debt limit	\$ 578,982	\$ 491,817	\$ 413,814	\$ 383,715
Total net debt applicable to limit	3,725	76,845	2,124	30,155
LEGAL DEBT MARGIN	\$ 575,257	\$ 414,972	\$ 411,690	\$ 353,560
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	0.64%	15.62%	0.51%	7.86%

Note: The City Charter of the City of Sherman does not limit outstanding general obligation debt in relation to total assessed property tax value, but the aggregate amount of bonds and other debt is not to exceed 10% of the assessed valuation. Under provisions of state law, the maximum tax rate is limited to \$2.50 per \$100 assessed valuation.

Table 18

2020	2019	2018	2017	2016	2015
\$ 341,986 -	\$ 311,418 20,131	\$ 288,689 23,381	\$ 278,125 19,102	\$ 252,085 9,100	\$ 237,452 -
<u>\$ 341,986</u>	<u>\$ 291,287</u>	<u>\$ 265,308</u>	<u>\$ 259,023</u>	<u>\$ 242,985</u>	<u>\$ 237,452</u>
0.00%	6.46%	8.10%	6.87%	3.61%	0.00%

City of Sherman, Texas
Table 19

Pledged Revenue Coverage
Last Ten Fiscal Years
(Amounts Express in Thousands)

Fiscal Year	Water Revenue Bonds					
	Water and	Less:	Net	Debt Service		Coverage
	Sewer Charges and Other	Operating Expenses	Available Revenue	Principal	Interest	
2024	\$ 31,575	\$ 27,656	3,919	\$ -	\$ -	-
2023	30,440	25,750	4,690	-	-	-
2022	26,214	21,089	5,125	-	-	-
2021	23,154	21,305	1,849	-	-	-
2020	23,832	21,842	1,990	-	-	-
2019	23,182	21,917	1,265	-	-	-
2018	22,819	20,731	2,088	-	-	-
2017	21,493	19,254	2,239	-	-	-
2016	20,987	18,255	2,732	-	-	-
2015	20,612	15,834	4,778	-	-	-

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Water, sewer and other charges includes investment earnings, but not tap fees. Operating expenses do not include interest or depreciation.

City of Sherman, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 20

Calendar Year	Population	Personal Income**	Per Capita Personal Income	Median Age	Percent High School Graduate or Higher	School Enrollment	Average Unemployment Rate*
2024	44,052	\$ 1,348,211	\$ 30,605	35.3	89.2%	7,321	3.7%
2023	43,273	1,141,498	26,379	34.5	89.2%	7,491	4.0%
2022	43,239	1,072,500	24,804	34.6	87.4%	7,853	3.8%
2021	43,645	1,038,533	23,795	34.8	85.6%	8,010	5.3%
2020	42,432	1,009,669	23,795	34.8	85.6%	7,938	7.0%
2019	41,149	954,616	23,199	34.0	84.8%	7,784	3.1%
2018	40,543	898,190	22,154	33.4	85.6%	7,755	3.3%
2017	40,112	883,627	22,029	33.5	85.1%	7,738	3.8%
2016	38,315	865,691	21,878	33.5	84.7%	7,262	3.9%
2015	38,315	854,868	21,853	32.7	83.7%	7,280	4.0%

Sources: US Census; Bureau of Labor Statistics; Sherman Independent School District

* Not seasonally adjusted

** Amounts expressed in thousands



City of Sherman, Texas
Principal Employers
Current and Nine Years Ago

Table 21

Taxpayer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Tyson Fresh Meats	1,700	1	7.49%	1,540	1	8.44%
Sherman ISD	1,137	2	5.01%	1,020	2	5.59%
Carrus Hospital	650	3	2.86%	-	-	-
Texas Instruments	600	4	2.64%	900	3	4.93%
Grayson County	588	5	2.59%	540	5	2.96%
City of Sherman*	550	6	2.42%	390	8	2.14%
Alorica	452	7	1.99%	-	-	-
Emerson	450	8	1.98%	440	7	2.41%
Wilson N. Jones Regional Medical Center	443	9	1.95%	680	4	3.73%
Capio	400	10	1.76%	-	-	-
Wal-Mart/Sam's	-		-	440	6	2.47%
Eaton B-Line	-		-	350	9	1.84%
Austin College	-		-	290	10	1.59%
Total	6,970		30.69%	6,590		36.10%

Source: Sherman Economic Development Department and U.S. Census Bureau.

* City of Sherman employment number as listed in the approved FY2024-2025 Annual Budget.

City of Sherman, Texas

Fulltime Equivalent City Government Employees
by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2024	2023	2022	2021
General government:				
Management services	7	6	5	5
Public records	3	3	3	3
Legal services	-	1	1	1
Financial services	9	8	8	8
Human resources	5	5	4	4
Engineering	13	11	11	9
Law enforcement	78	77	75	74
Fire and ambulance	94	94	86	86
Municipal court	4	3	3	3
Emergency management	1	1	1	1
Animal services	9	8	8	8
Public safety support	28	25	24	24
Building and zoning	12	13	11	7
Street maintenance	40	33	25	25
Environmental code	4	4	4	4
Building maintenance	10	10	10	10
Cemetery services	8	8	8	7
Parks and recreation	6	6	6	6
Grounds maintenance	34	24	21	21
Glennie O. Ham center	-	-	-	-
Library services	10	10	10	10
Neighborhood services	4	4	4	4
Senior citizens center	2	2	2	2
Fire safety support	3	2	2	2
Utility fund:				
Utility administration	1	1	1	1
Utility billing/customer service	13	13	12	12
Production services	21	24	24	23
Pump maintenance	4	4	4	4
Collection and distribution	26	24	20	20
Infiltration and inflow	2	2	2	1
Treatment services	15	15	14	14
Laboratory	6	6	6	6
Industrial pretreatment	5	5	4	4
Water quality	7	5	3	4
Solid waste fund:				
Residential	22	20	20	19
Commercial	6	8	8	8
Recycling	-	-	-	1
Solid waste administration	7	4	4	4
Other:				
Information technology	10	10	9	7
Equipment services	15	14	14	13
Tourism	3	3	3	3
Stormwater services	3	2	2	2
TOTAL	550	518	482	470

Source: City of Sherman Annual Operating Budget Report

Table 22

Fiscal Year					
2020	2019	2018	2017	2016	2015
5	5	5	5	5	3
3	3	3	2	2	2
1	1	1	1	2	2
8	7	7	7	7	6
4	4	4	4	3	3
9	8	8	9	8	8
74	73	72	72	68	68
86	86	81	81	78	78
3	3	2	2	-	-
1	1	-	-	-	-
8	8	7	7	7	7
24	23	23	23	25	25
7	7	6	6	6	6
25	25	25	23	23	23
4	4	3	2	2	2
10	10	9	9	8	9
7	7	7	7	7	6
6	6	6	6	6	5
21	18	16	16	16	16
-	-	-	-	-	-
10	12	11	11	11	11
4	1	2	2	1	1
2	2	2	2	2	2
2	1	-	-	-	2
1	1	1	1	1	1
12	12	12	12	12	12
22	22	22	22	18	18
4	4	4	4	4	4
20	20	20	20	16	16
1	1	1	1	1	1
14	14	14	14	12	12
6	6	6	6	7	6
4	4	4	4	4	4
2	2	1	1	1	1
19	14	13	14	15	15
8	13	12	12	12	12
1	2	2	2	3	3
4	2	2	2	-	-
7	7	6	6	6	5
13	12	13	11	12	13
3	3	2	2	2	2
2	2	-	-	-	-
467	456	435	431	413	410

City of Sherman, Texas

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2024	2023	2022	2021
Police:				
Physical arrests	1,810	1,784	1,850	1,565
Calls for service	56,775	36,237	33,388	32,102
Traffic violations	18,415	11,541	7,845	7,327
Fire:				
Number of calls answered	8,572	8,465	8,856	7,262
Inspections	1,696	1,710	1,122	1,376
Planning and zoning:				
Number of residential units	2,348	3,203	1,294	857
Value of residential units	*	*	*	*
Number of commercial units	200	216	112	89
Value of commercial units	\$ 315,460,211	\$ 80,543,658	\$ 67,307,332	\$ 45,456,608
Highways and streets:				
Street resurfacing (miles)	9	18	10	11
Potholes repaired	2154	1,494	1,281	770
Sanitation:				
Refuse collected (tons/day)	284	253	178	266
Recyclables collected (tons/day)	-	-	-	-
Culture and recreation:				
Athletic field permits issued	2946	2,228	2,480	2,026
Community center admissions	1542	1,345	1,247	966
Water:				
New connections	4,150	3,855	3,593	3,182
Water main breaks	366	342	272	349
Average daily consumption (thousands of gallons)	10	10	9	8
Wastewater:				
Average daily sewage treatment (thousands of gallons)	9,074	8,089	7,705	8,250

Source: Various City departments

Estimates used if actual number not available

* Data unavailable in accordance with Texas House Bill 852

Table 23

Fiscal Year					
2020	2019	2018	2017	2016	2015
1,283	1,550	1,654	1,501	1,586	1,767
32,282	39,405	37,673	37,131	38,123	20,555
5,872	9,741	5,893	5,184	4,314	4,451
7,750	7,392	7,246	7,614	6,769	6,469
1,272	1,225	587	920	797	3,233
867	594	530	537	456	426
*	\$ 38,735,406	\$ 50,276,674	\$ 30,613,815	\$ 21,059,304	\$ 22,440,786
80	111	126	94	81	85
\$ 18,986,845	\$ 170,534,915	\$ 46,020,156	\$ 34,571,628	\$ 17,757,185	\$ 15,076,638
10	5	15	15	15	13
567	463	609	285	433	1,183
310	254	213	179	177	160
1	7	9	10	12	12
1,079	3,004	2,946	3,047	2,788	2,962
761	3,997	3,989	4,123	4,890	5,168
3,350	3,140	3,035	2,963	2,948	2,846
174	231	213	219	120	187
8	8	8	8	8	5
8,590	8,730	7,780	6,860	8,280	9,630

City of Sherman, Texas

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2024	2023	2022	2021
Public safety:				
Police:				
Stations	1	1	1	1
Patrol units	25	26	26	19
Fire stations	5	5	5	5
Sanitation:				
Collection trucks	50	49	46	49
Highways and streets:				
Streets (miles)	280	280	280	265
Streetlights	3335	3,177	3,067	3,067
Traffic signals	89	85	85	85
Culture and recreation:				
Parks and acreage	454	454	452	452
Swimming pools	1	1	1	1
Tennis courts	4	4	4	4
Community centers	2	2	2	2
Water:				
Water mains (miles)	413	335	320	314
Fire hydrants	2,168	2,069	2,069	2,000
Maximum daily capacity (thousands of gallons)	28,000	28,000	28,000	33,250
Sewer:				
Sanitary sewers (miles)	299	291	261	256
Storm sewers (miles)	N/A	N/A	N/A	N/A
Maximum daily capacity (thousands of gallons)	16,000	16,000	16,000	16,000

Source: Various City departments

*Estimates used if actual number not available

Table 24

Fiscal Year					
2020	2019	2018	2017	2016	2015
1	1	1	1	1	1
21	18	20	17	21	17
5	5	5	5	5	5
47	46	43	38	43	40
265	265	265	260	231	242
3,049	3,049	3,049	3,049	3,049	3,049
85	85	85	84	84	84
452	452	452	440	440	414
1	1	1	1	1	1
4	4	4	4	4	4
2	2	2	2	2	2
311	308	302	300	294	239
1,977	1,962	1,908	1,889	1,844	1,806
33,419	23,000	23,032	21,864	24,151	23,419
255	253	250	250	246	240
N/A	N/A	N/A	N/A	N/A	N/A
16,000	16,000	16,000	16,000	16,000	16,000

City of Sherman, Texas

Single Audit Report

Year Ended September 30, 2024

City of Sherman, Texas
Single Audit Report
For the Fiscal Year Ended September 30, 2024
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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor
and City Council
City of Sherman, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sherman, Texas (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor
and City Council
City of Sherman, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 25, 2025

**Independent Auditor's Report on Compliance for Each Major Federal Program,
Report on Internal Control over Compliance, and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

To the Honorable Mayor
and City Council
City of Sherman, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sherman, Texas (the City)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable Mayor
and City Council
City of Sherman, Texas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sherman, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated February 25, 2025 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 25, 2025

City of Sherman, Texas

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2024

I. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered a material weakness? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

An unmodified opinion was issued on compliance for major programs.

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency (ies) identified that are not considered a material weakness? ☐ Yes ☒ None Reported

Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516 (a)?

☐ Yes ☒ No

Identification of major programs:

Program/Cluster Name

COVID-19 CSLFRF – Coronavirus State and Local
Fiscal Recovery Funds

Federal Assistance Listing Number

21.027

The dollar threshold used to distinguish between type A and type B programs.

\$750,000

Auditee qualified as a low-risk auditee?

☒ Yes ☐ No

City of Sherman, Texas

Schedule of Findings and Questioned Costs - Continued
For the Year Ended September 30, 2024

II. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

III. Findings and Questioned Costs for Federal Awards

None

IV. Summary of Prior Year Findings

None

City of Sherman, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Program Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Direct Program:				
Community Development Block Grant/Entitlement Grants	14.218	B-20-MC-48-0027	\$ 19,569	\$ 8,150
COVID-19 - Community Development Block Grant/Entitlements Grants - CARES Act	14.218	B-20-MW-48-0027	2,160	2,160
Community Development Block Grant/Entitlement Grants	14.218	B-21-MC-48-0027	156,852	15,389
Community Development Block Grant/Entitlement Grants	14.218	B-22-MC-48-0027	84,841	2,280
Community Development Block Grant/Entitlement Grants	14.218	B-23-MC-48-0027	160,084	63,000
Total CDBG-Entitlement Grants Cluster			423,506	90,979
Total U.S. Department of Housing and Urban Development			423,506	90,979
<u>U.S. DEPARTMENT OF TREASURY</u>				
Direct Program:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	60,950	-
Passed through the Office of the Governor - Criminal Justice Division (CJD):				
COVID-19 - VC-Coronavirus State Fiscal Recovery Fund (Victims of Crime - SB 8)	21.027	2021-CS-21027	14,767	-
Passed through the Office of the Governor - Commission on State Emergency Communications (CSEC) SB 8:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	4549601	458,793	-
Total Assistance Listing # 21.027			534,510	-
Total U.S. Department of Treasury			534,510	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through Texas Health and Human Services Commission:				
Ambulance Services - Uncompensated Care Costs	93.778	86350801	66,430	-
Total Medicaid Cluster			66,430	-
Total U.S. Department of Health and Human Services			66,430	-
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02797-JAGX	1,322	1,322
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03803-JAGX	15,709	7,350
Total Assistance Listing # 16.738			17,031	8,672
Equitable Sharing Program	16.922	TX0910400	9,672	-
Total U.S. Department of Justice			26,703	8,672
<u>Institute of Museum and Library Services</u>				
Passed Through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	LS-253655-OLS-23	1,190	-
Total Institute of Museum and Library Services			1,190	-
Total Federal Financial Assistance			\$ 1,052,339	\$ 99,651

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

City of Sherman, Texas

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Note 1. General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Sherman, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The City of Sherman, Texas' reporting entity is defined in Note I to the City of Sherman, Texas' basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2. Subrecipients

Amounts paid to subrecipients for the fiscal year ending September 30, 2024 were as follows:

Program Title/ Subrecipient	Assistance Listing Number	Amount
Boys & Girls Club of Sherman	14.218	\$ 4,200
CASA of Grayson County	14.218	4,200
Child & Family Guidance Center of Texoma	14.218	7,640
Grayson County Children's Advocacy Center	14.218	4,200
Four Rivers Outreach	14.218	4,200
Grand Central Station	14.218	4,200
Grayson County Crisis Center	14.218	4,589
Habitat for Humanity of Grayson County	14.218	23,150
House of Eli	14.218	4,200
Multicultural Family Center	14.218	4,200
Housing Authority of the City of Sherman, Texas	14.218	5,200
Sherman Youth Sports Association	14.218	4,200
TAPS	14.218	4,200
Texoma Family Shelter	14.218	4,200
The Camp Sports	14.218	4,200
United Way of Grayson County	14.218	4,200
Total for 14.218		<u>\$ 90,979</u>
Grayson County Sheriff's Office	16.738	<u>\$ 8,672</u>
Total for 16.738		<u>\$ 8,672</u>

Note 3. Indirect Cost Rate

The City of Sherman, Texas has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Sherman, Texas

Notes to Schedule of Expenditures of Federal Awards (Continued)

For the Year Ended September 30, 2024

Note 4. Expenditures Reported on SEFA Incurred in a Prior Period

On September 20, 2023, the Department of Treasury issued the 2023 interim final rule (IFR) for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). For eligible use categories described in the 2023 IFR, recipients may use CSLFRF funds for costs incurred beginning December 29, 2022. For the year ended September 30, 2024, the City's SEFA includes \$363,320 in expenditures that were incurred in the prior year.



City Council Regular Meeting

Agenda Item No. J.3.

Meeting Date: 3/3/2025

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Zachary Flores, Assistant City Manager

Caption:

Other Business

Consider and Act on Authorizing Disbursements to or Creation of Financial Obligations by Elected Officials under Article X, Section 2(e) of the Sherman Home Rule Charter

Issue:

Consider and Act on Authorizing Disbursements to or Creation of Financial Obligations by Elected Officials under Article X, Section 2(e) of the Sherman Home Rule Charter

Background:

Article X, Section 2(e) of the Sherman Home Rule Charter states as follows: "Any disbursement to or on behalf of any elected official in excess of two thousand five hundred dollars (\$2,500.00), or the creation of any financial obligation in excess of two thousand five hundred dollars (\$2,500.00) by any elected official must be authorized in advance by a majority vote of the Council present and voting, and duly recorded."

City staff anticipates the possibility of the City of Sherman making disbursements to or the creation of financial obligations by certain elected officials, including members of the City Council, in excess of \$2,500. In addition to compliance with applicable state law on conflicts of interest, including Chapter 171 of the Texas Local Government Code, it is recommended that the City Council take action to authorize such disbursements or financial obligations, in advance, in accordance with the Sherman Home Rule Charter, where applicable. This item is intended to provide an opportunity for members of the City Council to disclose anticipated disbursements or the creation of financial obligations as described in the Charter and for the City Council to vote on whether such anticipated disbursements or creation of financial obligations are approved.

Origination:

Mayor Shawn Teamann

Financial Consideration:

None

Staff Recommendation:

Alternatives:

Attachments:

None