CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
TUESDAY, SEPTEMBER 2, 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 PAMELA L. HOWETH

A.3. APPROVE THE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF AUGUST 18, 2025 AND REVISED MINUTES OF THE REGULAR CITY COUNCIL MEETING OF MAY 19, 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

Public Hearing

D.1. PUBLIC HEARING

Capital Improvement Program 2025-2030

D.2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6864

Adopting a Budget and Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026; Declaring that this Budget Will Raise Less Revenue from Property Taxes than Last Year's Budget by $3,742,155 which is a 9.1% Decrease from Last Year's Budget. The Property Tax Revenue to be Raised from New Property Added to the Tax Roll this Year is $3,496,261; Providing a Savings/Repealing Clause, Severability Clause and Effective Date; Providing for the Publication of the Caption Hereof

D.3. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6865

Providing for the Levy of Ad Valorem Taxes for the City of Sherman, Texas, for the Tax Year 2025; Distributing the Same Among the Various Funds; Providing for a Penalty and Interest for Failure to Pay the Taxes Levied within the Time Provided by Law; Providing for a Lien on all Real and Personal Property to Secure Payment of Taxes Due Thereon; Providing a Penalty Clause, Savings/Repealing Clause, Severability Clause and An Effective Date.

D.4. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6866**
Re-appointing a Presiding Municipal Court of Record Judge and an Alternate Municipal Court of Record Judge for the City of Sherman, Grayson County, Texas

D.5. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6867**
Approving a Negotiated Settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division, Regarding the Company's 2025 Rate Review Mechanism Filing; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement; Finding the Rates to be Set by the Attached Settlement Tariffs to be Just and Reasonable and in the Public Interest; Approving an Attachment Establishing a Benchmark for Pensions and Retiree Medical Benefits; Requiring the Company to Reimburse ACSC's Reasonable Ratemaking Expenses; Adopting a Savings Clause. Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and the ACSC's Legal Council.

Close Public Hearing and Consider Adoption of Ordinances

E.1. **CLOSE PUBLIC HEARING**
Consider Adoption of Ordinances 6864, 6865, 6866 & 6867

Resolutions

F.1. **RESOLUTION NO. 7566**
Approving and Adopting a Five-Year Capital Improvement Program for the City of Sherman, Texas

F.2. **RESOLUTION NO. 7567**
Authorizing The City Manager Or His Designee To Execute A Purchase And Sale Agreement With JEJE Holdings LLC For The Purchase Of 3 Lots In Sherman For The Future Site Of The Fleet Service Center.

F.3. **RESOLUTION NO. 7568**
Authorizing Execution Of A Joint Election Agreement With Grayson County, Texas, To Hold A Joint Election On November 4, 2025

F.4. **** RESOLUTION NO. 7569***
Authorizing The City Manager Or His Designee To Execute A Right Of Way Warranty Deed Conveying Real Property From The Sherman Economic Development Corporation To The City Of Sherman For A Future Road.

F.5. **** RESOLUTION NO. 7570***
Adopting an Investment Policy for the City of Sherman

Request to Advertise

G.1. **** REQUEST TO ADVERTISE***
Request to Advertise for Bank Depository Services

Other Business

H.1. **OTHER BUSINESS**
Consider Scheduling a Joint Meeting of the City Council and the Sherman Independent School District Board of Trustees on September 29th at 5:00pm at the Sherman ISD Service Center

COUNCIL COMMENTS

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

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:

J.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.

J.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.

J.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.

J.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

J.5. TEX. GOV'T CODE § 551.076

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

J.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.

J.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

Adjournment

COUNCIL CALENDAR

M.1. COUNCIL CALENDAR

2025 Council Calendar

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

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 Tuesday, August 26, 2025 at 11:59 p.m., and said time of posting was three business days before said meeting was convened or called to order.

Dated this 26th day of August 2025. City of Sherman, Texas

_____

City Clerk Administrative Coordinator

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

PERSONS WITH DISABILITIES, WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT THE CLERKS OFFICE AT (903) 892-7206, TWO (2) WORKING DAYS PRIOR TO THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

Mayor	Deputy Mayor	Council Members	
Shawn C. Teamann	Juston Dobbs	Henry Marroquin, Council-At-Large, PL #1	Josh Stevenson, Council – District #2
		Juston Dobbs, Council-At-Large, PL #2	Pamela L. Howeth, Council – District #3
		Clay Barnett, Council – District #1	Daron Holland, Council – District #4

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

Sherman
CLASSIC TOWN. BROAD HORIZON.

ACTION MINUTES

The City Council of the City of Sherman held a regular meeting Monday, May 19, 2025 at 5:00 P.M. in the Community Room of the Sherman Police Department Headquarters at 2600 West Travis to consider the following:

The City Council meetings are Video and Audio recorded and can be viewed at:
https://www.ci.sherman.tx.us/701/Agendas-and-Minutes

A.1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN
Bookmarked at 00:06:38
Mayor Teamann called the meeting to order at 5:00 p.m.

A.2. PLEDGE OF ALLEGIANCE AND INVOCATION LED BY COUNCIL MEMBER CLAY BARNETT
Bookmarked at 00:06:56

A.3. APPROVE MINUTES OF THE CALLED CITY COUNCIL MEETING (BUDGET PLANNING) OF APRIL 11, 2025 AND THE REGULAR CITY COUNCIL MEETING OF MAY 5, 2025.
Bookmarked at 00:07:55
The City Council reviewed the minutes of the April 11, 2025 Budget Planning meeting and the May 5, 2025 Regular Meeting. Motion by Council Member Barnett to approve the Minutes as written. Second by Council Member Holland. All present voted AYE.

Citizen Comments

B.1. CITIZEN COMMENTS
Bookmarked at 00:08:14

Consent Agenda

C.1. CONSENT AGENDA
Bookmarked at 00:08:29
The Council reviewed the Consent Agenda. Deputy Mayor Dobbs moved to approve Resolution No. 7530, 7531 and Other Business on the Consent Agenda as presented. Second by Council Member Howeth.

Mayor Teamman requested G.3. be removed for discussion.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

Proclamation

D.1. PROCLAMATION
"Motorcycle Safety Awareness Month" - May 2025
Bookmarked at 00:08:57

Public Hearing

E.1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6831
Amending Sherman's Zoning Ordinance/Code Of Ordinances Chapter 14, To Rezone A Tract Of Land consisting of 0.190 acres being a portion of Block 2 of the J.P. Loving's 2nd Addition, City Of Sherman, Grayson County, Texas, Located at 306 South Dewey Avenue, Heretofore R-6 (Single Family Residential) District Rezoning And Placing The Tract In The R-2F (Duplex Residential) District Zoning Classification, David Arbelaez (Owner) and Premier Surveying, LLC (Surveyor) Providing For A Penalty Not To Exceed $2,000.00; Providing A Repealing/Savings Clause, Severability Clause And An Effective Date
Bookmarked at 00:11:25

E.2. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6832**

Amending Sherman's Zoning Ordinance/Code Of Ordinances Chapter 14, To Rezone A Tract Of Land consisting of 2.289 acres being a part of Lot 1, of the final plat of James Plaza Addition, City Of Sherman, Grayson County, Texas, Located at 1804 North Highway 75, Heretofore C-1 (Retail Business) District/75&82 Overlay District Rezoning And Placing The Tract In The C-2 (General Commercial) District/75&82 Overlay District Zoning Classification, AHM 1804 Real Estate, LLC (Owner) 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

Bookmarked at 00:12:16

E.3. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6833**

Amending Sherman's Zoning Ordinance/Code Of Ordinances Chapter 14, And Granting A Specific Use Permit To Allow Automobile repair, body work, or painting in a C-2 (General Commercial) District/75&82 Overlay District, Located At 1804 North Highway 75, Consisting of 2.289 acres being a part of Lot 1, of the final plat of James Plaza Addition, City Of Sherman, Grayson County, Texas AHM 1804 Real Estate, LLC (Owner) and Underwood Drafting & Surveying (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

Bookmarked at 00:12:41

E.4. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6834**

Amending Sherman's Zoning Ordinance/Code Of Ordinances Chapter 14, To Rezone A Tract Of Land consisting of 0.7561 acres being part of the G. B. Pilant Survey, Abstract No. 963, City Of Sherman, Grayson County, Texas, Located at 1024 South First Street, Heretofore M-1 (Light Manufacturing) District and R-6 (Single Family Residential) District Rezoning And Placing The Tract In The C-2 (General Commercial) District Zoning Classification, Gustavo and Rosalba Ramirez (Owners) and Copley Land Surveying (Surveyors) Providing For A Penalty Not To Exceed $2,000.00; Providing A Repealing/Savings Clause, Severability Clause And An Effective Date

Bookmarked at 00:13:57

E.5. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6835**

Amending Sherman's Zoning Ordinance/Code Of Ordinances Chapter 14, To Rezone A Tract Of Land consisting of 0.387 acres being a part of the G.B. Pilant Survey, Abstract No. 963, City Of Sherman, Grayson County, Texas, Located at 1010 South First Street, Heretofore R-6 (Single Family Residential) District Rezoning And Placing The Tract In The R-4 (Patio Home Residential) District Zoning Classification, BHCP, LLC (Owner) and Copley Land Surveying (Surveyor) Providing For A Penalty Not To Exceed $2,000.00; Providing A Repealing/Savings Clause, Severability Clause And An Effective Date

Bookmarked at 00:15:24

E.6. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6836**

Amending Sherman's Zoning Ordinance/Code Of Ordinances Chapter 14, And Granting A Specific Use Permit To Allow Automobile repair, body work, or painting in a C-2 (General Commercial) District, Located At 1911 North Loy Lake Road, Consisting of 1.137 acres being Lot 3, Block A in the Sheldon Pavilion Replat, City Of Sherman, Grayson County, Texas Mahan Shabani (Owner), Greg Joseph (Representative) and Pacheco Koch Consulting Engineers (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 Close Public Hearing and Consider Adoption of Ordinances

Bookmarked at 00:16:25

F.1. **CLOSE PUBLIC HEARING**

Consider Adoption of Ordinances 6831, 6832, 6833, 6834, 6835 & 6836.

Bookmarked at 00:18:43

Ordinance 6834

Motion by Council Member Barnett to approve Ordinance No. 6834. Second by Council Member Stevenson.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT

VOTING NAY: NONE.

MOTION CARRIED.

Ordinance 6835
Motion by Council Member Stevenson to approve Ordinance No. 6834. Second by Deputy Mayor Dobbs.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: HOWETH.
MOTION CARRIED.

Ordinances 6831, 6832, 6833 and 6836
Motion by Council Member Stevenson to deny Ordinances 6831, 6832, 6833 and 6836. Second by Council Member Howeth.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.

Ordinances 6831, 6832, 6833 and 6836 were denied by Council.

Resolutions

G.1. RESOLUTION NO. 7528
Authorizing Execution of a Facilities Extension Agreement between Oncor Electric Delivery Company LLC and the City of Sherman for the Extension of Company Delivery System Facilities
Bookmarked at 00:47:37

Motion by Deputy Mayor Dobbs to approve Resolution No. 7528. Second by Council Member Howeth.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

G.2. RESOLUTION NO. 7529
Amending Resolution No. 6443 to Extend the Expiration Date for Tyson Fresh Meats, Inc. Enterprise Project Under the Texas Enterprise Zone Program, Administered by the Governor's Economic Development and Tourism Office Through the Economic Development Bank
Bookmarked at 00:48:52

Motion by Council Member Stevenson to approve Resolution No. 7529. Second by Council Member Barnett.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

G.3. * RESOLUTION NO. 7530
Award a Bid to and Authorize Execution of a Contract with Cowtown Design and Build, LLC for the CDBG-Funded Senior Citizens Center Remodel Project
Bookmarked at 00:42:33

Motion by Council Member Stevenson to approve Resolution No. 7530. Second by Council Member Howeth.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

G.4. * RESOLUTION NO. 7531
Authorizing Execution of a Fifth Amendment to the Professional Services Agreement with Plummer Associates, Inc. for Engineering Services for Design of the Wastewater Treatment and Water Reuse Master Plan Project
Bookmarked at 00:08:29

Other Business

H.1. * OTHER BUSINESS
Consider and act on Atmos Energy Corporation's acceptance of Ordinance No. 6767, approved by City Council on August 3, 2024, which granted a franchise agreement to Atmos Energy Corporation subject the terms thereof.
Bookmarked at 00:08:29

COUNCIL COMMENTS

Bookmarked at 00:51:41

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:

Mayor Teamann adjourned for Executive Session at 5:52 p.m.

J.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.

J.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) Property located north of US 82, east of US 69, west of FM 1752

J.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.

J.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 (3)

J.5. TEX. GOV'T CODE § 551.076

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

J.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.

J.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 Adjournment

Bookmarked at 02:12:37

Mayor Teamann reconvened into General Session at 7:05 p.m.

ADJOURNMENT

Bookmarked at 02:13:00

Mayor Teamann adjourned the meeting at 7:07 p.m.

MAYOR

Lauren Marlow

CITY CLERK OR DESIGNEE

Sherman
CLASSIC TOWN. BROAD HORIZON.

ACTION MINUTES

The City Council of the City of Sherman held a regular meeting Monday, August 18, 2025 at 5:00 P.M. in the Council Chambers at 220 W. Mulberry Street to consider the following:

The City Council meetings are Video and Audio recorded and can be viewed at:
https://www.ci.sherman.tx.us/701/Agendas-and-Minutes

A.1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN
Bookmarked at 00:01:07
Mayor Teamann called the meeting to order at 5:00 p.m.

A.2. PLEDGE OF ALLEGIANCE AND INVOCATION LED BY COUNCIL MEMBER STEVENSON
Bookmarked at 00:01:17

A.3. APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF AUGUST 4, 2025.
Bookmarked at 00:01:55
The City Council reviewed the minutes of the August 4, 2025 Regular Meeting. Motion by Council Member Barnett to approve the Minutes as written. Second by Council Member Stevenson. All present voted AYE.

Citizen Comments

B.1. CITIZEN COMMENTS
Bookmarked at 00:02:07

Consent Agenda

C.1. CONSENT AGENDA
Bookmarked at 00:03:06
The Council reviewed the Consent Agenda. Council Member Barnett moved to approve Resolution No. 7561, 7562, 7563, 7564, 7565 and Other Business G.2 and G.3 on the Consent Agenda as presented. Second by Council Member Howeth.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

Public Hearing

D.1. PUBLIC HEARING
First Public Hearing Required by the Charter to Adopt a Budget and Provide for the Appropriation of Funds for Operation and Capital Expenditures for the Fiscal Year Beginning October 1, 2025, and Ending September 30, 2026; Declaring that this Budget will Raise Less Revenue from Property Taxes than Last Year's Budget by $3,742,166 and 9.1%, and of that Amount $3,496,261 is Tax Revenue to be Raised from New Property Added to the Tax Roll this Year; Providing a Savings/Repealing Clause, Severability Clause and an Effective Date; Providing for the Publication of the Caption Hereof
Bookmarked at 00:03:39

D.2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6856
Approving the 2025-26 Annual Service and Assessment Plan Update for the Bel Air Village Public Improvement District
Bookmarked at 00:04:37

D.3. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6857
Relating to Greater Texoma Utility Authority Contract Revenue Bonds, Series 2025 (City of Sherman Project); and Approving the Issuance Thereof and the Facilities to be Constructed or Acquired by such Authority
Bookmarked at 00:05:40

D.4. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6858**

Amending the Code of Ordinances of the City of Sherman, Texas, Chapter 13 (Utilities), Article 13.09 (Service Fees); Modifying Certain Fees and Other Regulations Related to Laboratory Testing Fees; Providing a Penalty Clause with a Maximum Fine of $2,000, Saving/Repealing Clause, Severability Clause and an Effective Date; Providing for the Publication of the Caption Hereof

Bookmarked at 00:06:41

D.5. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6859**

Amending Sherman's Zoning Ordinance/Code Of Ordinances Chapter 14, To Rezone A Tract Of Land consisting of 5.73 acres, being in the J.B. McAnair Survey, Abstract No. 763, City Of Sherman, Grayson County, Texas, Located at 1900 Block North Grand Avenue, Heretofore M-1 (Light Manufacturing) District to a C-2 (General Commercial) District Zoning Classification, Jay Ho-Inter Property Holdings (Owner) Providing For A Penalty Not To Exceed $2,000.00; Providing A Repealing/Savings Clause, Severability Clause And An Effective Date

Bookmarked at 00:08:23

D.6. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6860**

Amending Sherman's Zoning Ordinance/Code Of Ordinances Chapter 14, To Rezone A Tract Of Land consisting of 0.169 acres being a part of the Samuel Blagg Survey, Abstract No.56, City Of Sherman, Grayson County, Texas, Located at 314 West Cherry Street, Heretofore MF-30 (Multi-Family Residential) Rezoning and Placing the Tract in the R-5 (Single-Family Residential) District Zoning Classification, Santos, Samuel & Cesar Lopez c/o Samuel Lopez (Owner) 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;

Bookmarked at 00:09:18

D.7. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6861**

Amending The Code Of Ordinances Of The City Of Sherman, Texas, Appendix C (Comprehensive Fee Schedule); Modifying Certain Existing Fees Related To Planned Development District Applications And Establishing A New Fee For Building Plan Reviews For Commercial And Multifamily 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

Bookmarked at 00:10:03

D.8. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6862**

Closing and Abandoning multiple Rights-of-Way in the City of Sherman, Grayson County, Texas, Said Rights- Of-Way Being Established In Volume 4, Page 22 Of Plat Records Of Grayson County, Texas; Authorizing The City Manager To Execute A Quitclaim Deed Conveying The Same To TCL LN BANK BK 3 202 LP,
The Adjoining Property Owner

Bookmarked at 00:12:17

D.9. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6863**

Abandoning Multiple Utility Easements and Utility and Drainage Easements Located in Block Two of Constitution Village Section Two; Block Six of Replat of Constitution Village, Section Two; Block Five of Replat of, Constitution Village, Section Two; and Block Nine, Lot 3 of Constitution Village Section Two, Being More Particularly Described in the Exhibits "A" through "D" Attached Hereto and Made a P art Hereof for all Purposes, which Utility Easements and Utility and Drainage Easements are Established in Volume 4, Page 22 and Volume 6, Page 31, Plat Records, Grayson County, Texas

Bookmarked at 00:12:42

E.1. **CLOSE PUBLIC HEARING**

Consider Adoption of Ordinances 6856, 6857, 6858, 6859, 6860, 6861, 6862 & 6863

Ordinance Nos. 6856, 6857, 6858, 6859, 6860, 6861, 6862 & 6863
Motion by Council Member Howeth to approve Ordinance Nos. 6856, 6857, 6858, 6859, 6860, 6861, 6862 & 6863. Second by Council Member Stevenson.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

Resolutions

F.1. RESOLUTION NO. 7557

Authorizing Execution of First Amended and Restated Chapter 380 Economic Development Program and Agreement between the City of Sherman, Texas and TEKMAK Sherman Hotel, LP.

Bookmarked at 00:14:35

Motion by Council Member Stevenson to approve Resolution No. 7557. Second by Deputy Mayor Dobbs.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND AND MARROQUIN
VOTING NAY: NONE.
MOTION CARRIED.

Council Member Barnett abstained from motion.

F.2. RESOLUTION NO. 7558

Authorizing Execution of a Contract with T.F. Harper for the Renovation and Resurfacing of the Fairview Park Tennis Courts through the TIPS Purchasing Co-operative

Bookmarked at 00:17:42

Motion by Council Member Barnett to approve Resolution No. 7558. Second by Council Member Stevenson.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

F.3. RESOLUTION NO. 7559

Awarding a Bid to and Authorizing Execution of a Contract with Don Smith Concrete LLC Based on an Invitation to Bid for the Retaining Wall & Sidewalk Improvements 2203 FM 1417

Bookmarked at 00:24:25

Motion by Council Member Stevenson to approve Resolution No. 7559. Second by Council Member Barnett.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

F.4. RESOLUTION NO. 7560

Authorizing Execution of a Professional Services Agreement with Burgess & Niple, Inc. for the Downtown Wastewater and Water Main Improvements Phase 2

Bookmarked at 00:28:39

Motion by Council Member Barnett to approve Resolution No. 7560. Second by Council Member Marroquin.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND, MARROQUIN AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

F.5. * RESOLUTION NO.7561

Awarding Bids to and Authorizing Execution of Contracts with Multiple Vendors for an Annual Supply of Chemicals for the Sherman Wastewater Treatment Plant and Rejecting Bids for Citric Acid

Bookmarked at 00:03:06

F.6. * RESOLUTION NO. 7562

Awarding a Bid and Execution of a Contract with Atlas Utility Supply Company for an Annual Supply of the Water Meters for Utilities Field Services Department

Bookmarked at 00:03:06

F.7. * RESOLUTION NO. 7563

Authorizing The City Manager To Execute An Agreement With U.S. Bank For Commercial Charge Card Services Through The State Of Texas Contract

Bookmarked at 00:03:06

F.8. * RESOLUTION NO. 7564

Appointing and Authorizing the City Manager to Negotiate an Agreement with Weaver and Tidwell, L.L.P. to Perform the Fiscal Year 2025 Audit.

Bookmarked at 00:03:06

F.8. * RESOLUTION NO. 7565

Authorizing Execution of a Law Enforcement Officer Interlocal Agreement Between the City of Sherman, Texas, and Sherman Independent School District

Bookmarked at 00:03:06

Other Business

G.1. OTHER BUSINESS

Discuss Tax Rates and Vote to Propose a Tax Rate for the Newspaper Notice

Bookmarked at 00:31:13

G.2. * OTHER BUSINESS

Review of the Draft Capital Improvement Program (CIP) 2025-2030 and Set a Public Hearing for Tuesday, September 2, 2025

Bookmarked at 00:03:06

G.3. * OTHER BUSINESS

Approve the Investment Report for the Quarter Ended June 30, 2025

Bookmarked at 00:03:06

COUNCIL COMMENTS

Bookmarked at 00:32:38

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:

Mayor Teamann adjourned for Executive Session at 5:33 p.m.

I.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 HB 2512
b) Receive legal advice regarding City of Sherman Code of Ordinances at Section 1.08.31 through 1.08.036.

I.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.

I.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.

I.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 Chairman
b) City Manager's Contract and Performance Evaluation

I.5. TEX. GOV'T CODE § 551.076

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

I.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) Hospital Project

I.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 Adjournment

Bookmarked at 00:35:10

Mayor Teamann reconvened into General Session at 7:09 p.m.

Cemetery Committee

Bookmarked at 00:35:15

Motion by Council Member Stevenson that we reform the Cemetery Committee and applications available for issue. Second by Council Member Barnett.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

Planning and Zoning Commission Chairman

Bookmarked at 00:35:30

Motion by Council Member Barnett to appoint Leigh Ann Sims as the Chairman of the Planning and Zoning Commission. Second by Council Member Howeth.

VOTING AYE: TEAMANN, DOBBS, STEVENSON, HOWETH, HOLLAND AND BARNETT
VOTING NAY: NONE.
MOTION CARRIED.

ADJOURNMENT

Bookmarked at 00:35:46

Mayor Teamann adjourned the meeting at 7:10 p.m.

MAYOR

Lauren Marlow

CITY CLERK OR DESIGNEE

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. C.1.

Meeting Date: 9/2/2025

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:

F. 4. **** RESOLUTION NO. 7569***
Authorizing The City Manager Or His Designee To Execute A Right Of Way Warranty Deed Conveying Real Property From The Sherman Economic Development Corporation To The City Of Sherman For A Future Road.

F. 5. **** RESOLUTION NO. 7570***
Adopting an Investment Policy for the City of Sherman

G. 1. **** REQUEST TO ADVERTISE***
Request to Advertise for Bank Depository Services

Background:

Capital Improvement Program:

Origination:

Financial Consideration:

Staff Recommendation:

Alternatives:

Attachments:
None

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. D.1.

Meeting Date: 9/2/2025

Prepared By: Mary Lawrence, Chief Financial Officer

Approved By: Zachary Flores, Acting City Manager

Caption:
Public Hearing
Capital Improvement Program 2025-2030

Issue:
Holding a public hearing for the City of Sherman's Capital Improvement Program (CIP) covering the period from October 1, 2025 through September 30, 2030

Background:
Article V, Section 10 of the City Charter requires that the City Council, by resolution, adopt a Capital Improvement Program. As required, before consideration of the resolution, the City published a summary of the program and gave notice of a public hearing on the City of Sherman website. Approval of this CIP is by resolution on this agenda.

Capital Improvement Program:

Origination:
Finance Department

Financial Consideration:
The first year of projects for the General, Utility and Stormwater Capital Improvement Programs are included in the proposed fiscal year (FY) 2025-2030 budget. There is no financial consideration to holding a public hearing or adopting the Capital Improvement Program.

Staff Recommendation:
It is recommended that the City Council hold a public hearing for the Capital Improvement Program 2025-2030. There is no Council action required on this public hearing.

Alternatives:
As may be directed by the City Council

Attachments:
1. FY 2026-2030 CIP--DRAFT

Capital Improvement Plan of the City of Sherman

October 1, 2025 - September 30, 2030

Shawn Teamann, Mayor
Juston Dobbs, Deputy Mayor

Council Members
Daron Holland
Josh Stevenson
Pamela Howeth
Henry Marroquin
Clay Barnett

CAPITAL IMPROVEMENT PROGRAM OF THE CITY OF SHERMAN

OCTOBER 1, 2025 - SEPTEMBER 30, 2030

CITY COUNCIL

Shawn Teamann, Mayor
Juston Dobbs, Deputy Mayor

Council Members

Pamela L. Howeth
Daron Holland
Josh Stevenson
Clay Barnett
Henry Marroquin

☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆

Dr. Zachary Flores, City Manager

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City of Sherman, Texas

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Sherman
CLASSIC TOWN. BROAD HORIZON.

MAYOR
SHAWN TEAMANN
DEPUTY MAYOR
JUSTON DOBBS

CITY COUNCIL
PAMELA L. HOWETH
DARON HOLLAND
JOSH STEVENSON
CLAY BARNETT
HENRY MARROQUIN

CITY MANAGER
DR. ZACHARY FLORES

The Honorable Shawn Teamann, Mayor, and Members of the City Council

Subject: 2025-2026/2029-2030 Five-Year Capital Improvement Program

The Capital Improvement Program for the City of Sherman is submitted to you in compliance with Article V, Section IX of our Charter. This Five-Year Capital Improvement Program covers the planning period beginning October 1, 2025 through September 30, 2030.

Our community continues to experience growth and potential for growth and, in order to meet the needs of the future, we must plan. The Capital Improvement Program forecasts our major capital improvement needs on a yearly priority basis. The plan requires annual revision in order to ensure that it meets the public safety, health and welfare needs of the citizens of Sherman, as well as our ability to finance those needs.

The Capital Improvement Program provides you with a comprehensive planning forecast of Capital Improvement needs. It outlines the recommended projects by fiscal year and estimates cost and funding sources. Each project is described by a brief narrative. The process of reviewing and approving this document requires that you concentrate on the priorities of the projects, due to funding limitations.

The Capital Improvement Program is separated into two functions, that of governmental and of proprietary. The governmental function is accounted for in General Fund services and Stormwater Fund services; and the Capital Improvement Projects under this section are associated with general government and financed by taxation, grants and other General Fund sources. Stormwater Fund capital improvement projects are supported and serviced by the Stormwater Fee. These projects are in the nature of streets, parks, drainage, flood control, refuse, and public safety improvements. The proprietary function is accounted for in the Utility Services section. Projects under this section are primarily for water and sewer improvements. Summaries by fiscal year for General Services, Utility Services, and Stormwater Services are for years one through five.

This Capital Improvement Program has been reviewed and is hereby respectfully submitted for your consideration.

Very truly yours,

Dr. Zachary Flores
City Manager

PO Box 1106 | Sherman, TX 75091 | 903-892-7200 | www.el.sherman.txus

GENERAL SERVICES

PROJECT	FY 2026 Budgeted	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed	FY 2030 Proposed
BUILDING MAINTENANCE					
Construct New Service Center Facility	$ 9,000,000	$ -	$ -	$ -	$ -
Remodel Community Services Building	$ -	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Construct Fire Station No. 5	$ -	$ -	$ -	$ -	$ 4,970,481
Total Building Maintenance Services	$ 9,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 5,970,481
DOWNTOWN					
Laurel Street Parking Lot Improvements	$ 1,600,000	$ -	$ -	$ -	$ -
Construct Elm Street Linear Park - City Hall to Laurel Street	$ 1,500,000	$ -	$ -	$ -	$ -
Purchase Texas Laundry Building for Future Parking Lot	$ 500,000	$ -	$ -	$ -	$ -
Downtown Master Plan Implementation	$ -	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Total Downtown Projects	$ 3,600,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
ENGINEERING SERVICES					
Phased Design & Construction of Lamberth Road - Shady Oaks to Friendship Road	$ 2,000,000	$ -	$ -	$ -	$ -
Construct Two Lanes - Bel Air Boulevard & Seguin	$ 2,000,000	$ -	$ -	$ -	$ -
Design & Construct Friendship Road Four-Lane Minor Arterial	$ -	$ 1,000,000	$ 4,533,334	$ 4,533,333	$ 4,533,333
Construct Heritage Ranch Trail - Phase II	$ -	$ 5,900,000	$ -	$ -	$ -
Install Traffic Signal - Luella Road and FM 1417	$ -	$ 400,000	$ -	$ -	$ -
Design & Construct Railroad Crossing on East Shepherd Drive	$ -	$ -	$ 150,000	$ 1,500,000	$ -
Engineer & Construct McGee Street Bridge Across Sand Creek	$ -	$ -	$ 600,000	$ -	$ 4,000,000
Construct Shepherd Drive - US 75 East to Railroad	$ -	$ -	$ 1,500,000	$ -	$ -
Phased Design & Construction of Friendship Road - SH 56 to Lamberth Road	$ -	$ -	$ -	$ 2,200,000	$ 3,000,000
Total Engineering Services Department	$ 4,000,000	$ 7,300,000	$ 6,783,334	$ 8,233,333	$ 11,533,333
PARKS AND RECREATION					
Trails Master Plan Implementation	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Annual Park Improvements	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Total Parks and Recreation Department	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000

GENERAL SERVICES

PROJECT	FY 2026 Budgeted	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed	FY 2030 Proposed
SHERMAN ECONOMIC DEVELOPMENT					
Phased Construction of Interurban Parkway - FM 1417 to Progress Drive	$ 8,700,000	$ -	$ -	$ -	$ -
Construct Tortilla Way	$ 1,000,000	$ -	$ -	$ -	$ -
Total Sherman Economic Development Department	$ 9,700,000	$ -	$ -	$ -	$ -
STREET MAINTENANCE					
Cherry Street Repairs - US 75 Service Road (Including Curb & Gutter)	$ 1,216,146	$ -	$ -	$ -	$ -
Repair N. Travis Street - US 75 Service Road to Houston Street	$ 844,165	$ -	$ -	$ -	$ -
Repair Taylor Street - FM 1417 to Texoma Parkway	$ -	$ 2,675,098	$ -	$ -	$ -
Repair Lamberth Road - FM 1417 to Loy Lake Road	$ -	$ -	$ 2,579,350	$ -	$ -
Repair Woods Street - Belden to Lamar Street	$ -	$ -	$ 1,688,170	$ -	$ -
Repair Fallon Drive - US 75 Service Road East to Texoma Parkway	$ -	$ -	$ 1,527,900	$ -	$ -
Repair Friendship Road - SH 56 to OB Groner	$ -	$ -	$ -	$ 736,010	$ -
Repair OB Groner - FM 1417 to Choctaw Creek/City Limits	$ -	$ -	$ -	$ 562,870	$ -
Total Street Maintenance Department	$ 2,060,311	$ 2,675,098	$ 5,795,420	$ 1,298,880	$ -
Total General Services	$30,360,311	$13,975,098	$16,578,754	$13,532,213	$20,503,814

UTILITY SERVICES

PROJECT	FY 2026 Budgeted	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed	FY 2030 Proposed
Oversizing Costs for Annual Water & Sewer Projects	$ 300,000	$ 300,000	$ 300,000	$ 500,000	$ -
Upgrade WWTP From 10 MGD (ADF) to 14 MGD (ADF)	$ 8,000,000	$ 33,500,000	$ 70,000,000	$ -	$ -
Continue High Country Estates Water System Upgrades	$ 75,000	$ 70,000	$ 75,000	$ -	$ -
Construct 84-Inch Water Line From Lake Texoma to WTP	$ 14,000,000	$ 28,000,000	$ -	$ -	$ -
Rehab Equalization Basin Blower & Rehab/Replace Sludge Digester Complex at WWTP	$ 7,300,000	$ 5,560,000	$ -	$ -	$ -
Procure Materials for Lake Texoma Pump Station Generator & Switchgear Upgrades	$ 2,600,000	$ 1,740,000	$ -	$ -	$ -
Add 8-Inch Water Line Across US 75 to Stabilize Elevated Tank Levels	$ 78,200	$ 521,000	$ -	$ -	$ -
USACE Water Storage	$ 10,106,467	$ -	$ -	$ -	$ -
Reroute 24-Inch Wastewater Line From New South WWTP to North WWTP	$ 5,860,000	$ -	$ -	$ -	$ -
Construct Phase II of Sewer Line Replacements in Downtown Sherman	$ 2,000,000	$ -	$ -	$ -	$ -
Rehabilitation of WTP Backwash Tank	$ 2,350,000	$ -	$ -	$ -	$ -
Increase Existing 6-Inch Water Line Across SH 289 to 12-Inch PVC Line	$ 1,900,000	$ -	$ -	$ -	$ -
Abandon Old 18-Inch & 24-Inch South Industrial Sewer Line	$ 1,750,000	$ -	$ -	$ -	$ -
Taylor Street Water Line - Texoma Parkway to Loy Lake	$ 440,000	$ -	$ -	$ -	$ -
Replace Various Existing Sanitary Sewer Lines Along Post Oak Creek	$ -	$ 7,332,000	$ 9,400,000	$ 3,800,000	$ -
Upsize 21-Inch Sanitary Sewer Line to 30-Inch Line to Address Flow From The Village	$ -	$ 1,000,000	$ 7,000,000	$ -	$ -
Upsize 21-Inch Sanitary Sewer Line to 36-Inch Line - Progress Park	$ -	$ 1,000,000	$ 6,600,000	$ -	$ -
Replace Failing Clay Tile Sewer Line On Texoma Parkway Near Proposed Peyton Street Development	$ -	$ 841,900	$ 3,000,000	$ -	$ -
Upsize 15-Inch Sanitary Sewer Line to 24-Inch Line - Shepherd Drive	$ -	$ 600,000	$ 3,750,000	$ -	$ -
Rehabilitation & Safety Improvements to Decant Lift Station at WWTP	$ -	$ 50,000	$ 430,000	$ -	$ -
Add Filters and Relift Pump for Full 16 MGD Capacity at WWTP	$ -	$ 3,300,000	$ -	$ -	$ -
Clarifier #3 Rehabilitation & NFPA Upgrades to Grit Building at WWTP	$ -	$ 2,510,000	$ -	$ -	$ -
Bel Air Construction - Phase III - 20-Inch Surface Water Line	$ -	$ 1,200,000	$ -	$ -	$ -
Major Rehabilitation or Replacement of WWTP Bar Screens	$ -	$ -	$ 200,000	$ 1,750,000	$ -
Design-Build Permanent Staff Office Facility at WWTP	$ -	$ -	$ -	$ 1,500,000	$ 6,000,000
Design & Construct New 18-Inch Wastewater Line Along Choctaw Creek	$ -	$ -	$ -	$ 2,500,000	$ 20,000,000
Total Utility Services	$ 56,759,667	$ 87,524,900	$ 100,755,000	$ 10,050,000	$ 26,000,000

STORMWATER SERVICES

PROJECT	FY 2026 Budgeted	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed	FY 2030 Proposed
Hillcrest/Woods Bridges - Erosion Repair & Deck Overlay	$ -	$ 550,000	$ -	$ -	$ -
Taylor/Washington Bridges - Erosion Repair & Deck Overlay	$ -	$ 550,000	$ -	$ -	$ -
Increase Culvert Capacity Under Gribble Street	$ -	$ -	$ 400,000	$ -	$ -
Pecan/Ricketts/Centennial/Blue Flame Bridges - Erosion Repair & Deck Overlay	$ -	$ -	$ 275,000	$ -	$ -
Total Stormwater Services	$ -	$ 1,100,000	$ 675,000	$ -	$ -

DRAFT

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND ADOPTING A FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR 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.

WHEREAS, the City Council is charged with providing a five-year capital improvement program for the City of Sherman, pursuant to Article V of the Charter of said City; and

WHEREAS, the City Manager has provided to the City Council such a program in a timely fashion; and

WHEREAS, the City Council met to review said plan on the 18th day of August, 2025, at a regular City Council meeting;

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

SECTION 1. That the Five-Year Capital Improvement Program, attached hereto as Exhibit "A" and incorporated herein for all intents and purposes, be and the same is hereby in all things approved and adopted as the Capital Improvement Program of the City of Sherman, Texas.

SECTION 2. That the effective date of this resolution shall be the 2nd day of September, 2025.

SECTION 3. 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 _____ day of _____, 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS, ACTING CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

CAPITAL BUDGET
2025 - 2030

GENERAL SERVICES
2025 - 2030

GENERAL SERVICES

CAPITAL BUDGET: 2025-2030

Within the Five-year Capital Improvement Program, the first year is considered the Capital Budget. The appropriation ordinance will give initial authorization for the staff to prepare and execute all projects listed for the coming year. City Council will consider the projects in subsequent years for approval and funding during the budget process for each year. These projects listed are for information and planning purposes and do not obligate the Council to approve or fund beyond the current approved appropriations ordinance.

GENERAL FUND

CONSTRUCT NEW SERVICE CENTER FACILITY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$9,000,000	$0	$0	$0	$0	$9,000,000

DESCRIPTION: Construct a new service center facility.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: City growth is rapidly expanding City fleet service needs and the current facility has reached capacity.

DEPARTMENT/ PROJECT MANAGER: Building Maintenance, Eric Sandberg

REMODEL COMMUNITY SERVICES FACILITY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$4,000,000

DESCRIPTION: Remodel the community services facility.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Expanded use of the existing facility requires interior improvements, in order to extend useful life. Remodeling will be phased out over multiple years.

DEPARTMENT/ PROJECT MANAGER: Building Maintenance, Eric Sandberg

GENERAL FUND

CONSTRUCT FIRE STATION NO. 5

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$0	$4,970,481	$4,970,481

DESCRIPTION: Construct a new Fire Station No. 5.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: A new station No. 5 will replace an aged, undersized, and inefficiently located fire station. It will also incorporate a permanent location for Fire administrative offices.

DEPARTMENT/ PROJECT MANAGER: Building Maintenance, Eric Sandberg

LAUREL STREET PARKING LOT IMPROVEMENTS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,600,000	$0	$0	$0	$0	$1,600,000

DESCRIPTION: Construct Laurel Street parking lot.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Parking lot will address increased usage in Downtown programming area.

DEPARTMENT/ PROJECT MANAGER: Management Services, Leah Roberts

GENERAL FUND

CONSTRUCT ELM STREET LINEAR PARK - CITY HALL TO LAUREL STREET

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,500,000	$0	$0	$0	$0	$1,500,000

DESCRIPTION: Construct a linear park on Elm Street, with potential food truck access.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Project will convert Elm Street, from City Hall to Laurel Street, into pedestrian access only.

DEPARTMENT/ PROJECT MANAGER: Management Services, Leah Roberts

PURCHASE TEXAS LAUNDRY BUILDING FOR FUTURE PARKING LOT

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$500,000	$0	$0	$0	$0	$500,000

DESCRIPTION: Purchase the Texas Laundry Building, located at 112 S. Walnut Street for future use as a parking lot.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Project is necessary to address increasing patronage of downtown Sherman businesses and amenities.

DEPARTMENT/ PROJECT MANAGER: Management Services, Leah Roberts

GENERAL FUND

DOWNTOWN MASTER PLAN IMPLEMENTATION

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$4,000,000

DESCRIPTION: Plan implementation includes Laurel Street parking lot reconstruction, updating wayfinding signage, historical Texas Theatre sign, and design Elm Street pedestrian path.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Expanding downtown parking, along with wayfinding signage, follows the Downtown Strategic Plan. Additionally, a downtown pedestrian only path will connect Downtown to our Trails Master Plan.

DEPARTMENT/ PROJECT MANAGER: Management Services, Leah Roberts

PHASED CONSTRUCTION OF INTERURBAN PARKWAY - FM 1417 TO PROGRESS DRIVE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$8,700,000	$0	$0	$0	$0	$8,700,000

DESCRIPTION: Project to continue the phased construction of the Interurban Parkway, connecting FM 1417 to Progress Drive.

PROPOSED FINANCING: SEDCO

PROJECT NECESSITY: The 2020 Grayson County Thoroughfare Plan recommended a minor thoroughfare connecting FM 1417 to Progress Drive.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

PHASED DESIGN & CONSTRUCTION OF LAMBERTH ROAD - SHADY OAKS TO FRIENDSHIP ROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,000,000	$0	$0	$0	$0	$2,000,000

DESCRIPTION: Continuing the phased design & construction of Lamberth Road, east of Shady Oaks to just west of proposed 5-lane road section; Shady Oak Lane south of Lambert intersection to just north of Shady Oaks Circle Intersection.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The minor thoroughfare is necessary to meet current City design standards.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

CONSTRUCT TWO LANES - BEL AIR BOULEVARD & SEGUIN

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,000,000	$0	$0	$0	$0	$2,000,000

DESCRIPTION: Construct two lanes of a four-lane road from FM 1417 to Bel Air Boulevard and from Seguin to South Travis Street.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Necessary to provide access to Travis Heights subdivision. Developer will construct the other two lanes.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

CONSTRUCT TORTILLA WAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,000,000	$0	$0	$0	$0	$1,000,000

DESCRIPTION: Construct a thirty-seven foot wide commercial street, approximately 1,000 linear feet.

PROPOSED FINANCING: SEDCO

PROJECT NECESSITY: The new roadway is necessary to provide access to manufacturing business areas.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

INSTALL TRAFFIC SIGNAL - LUELLA ROAD AND FM 1417

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$400,000	$0	$0	$0	$400,000

DESCRIPTION: Installation of a traffic signal at the intersection of Luella Road and FM 1417.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The traffic impact study identified this intersection requires a traffic signal to address increased traffic flow.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

DESIGN & CONSTRUCT FRIENDSHIP ROAD FOUR-LANE MINOR ARTERIAL

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$4,533,334	$4,533,333	$4,533,333	$14,600,000

DESCRIPTION: Design and construction to improve Friendship Road into a four-lane divided minor arterial.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Depending on the outcome of the 2026 traffic study, design and construction of a minor arterial may be a necessary improvement for the Hickory Hill planned development.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

CONSTRUCT HERITAGE RANCH TRAIL - PHASE II

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$5,900,000	$0	$0	$0	$5,900,000

DESCRIPTION: Phase II includes construction from the intersection of FM 1417 to new elementary school.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Project required to better address increased flow of traffic in the Heritage Ranch area.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

DESIGN & CONSTRUCT RAILROAD CROSSING ON EAST SHEPHERD DRIVE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$150,000	$1,500,000	$0	$1,650,000

DESCRIPTION: Design and construct a railroad crossing on East Shepherd Drive.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Construction of this street improvement will connect separate street developments east and west of railroad crossing, which will be provided by developers.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

ENGINEER & CONSTRUCT MCGEE STREET BRIDGE ACROSS SAND CREEK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$600,000	$0	$4,000,000	$4,600,000

DESCRIPTION: Engineer and construct McGee Street Bridge across Sand Creek.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: This bridge design will assist in areas of development in West Sherman. The bridge is included in the major thoroughfare design recommended by the 2020 Grayson County Thoroughfare Plan between FM 1417 and SH 289.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

CONSTRUCT SHEPHERD DRIVE - US 75 EAST TO RAILROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$1,500,000	$0	$0	$1,500,000

DESCRIPTION: Construct Shepherd Drive from US 75 east to railroad.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Roadway extension will connect proposed development on south side of Shepherd.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

PHASED DESIGN & CONSTRUCTION OF FRIENDSHIP ROAD - SH 56 TO LAMBERTH ROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$2,200,000	$3,000,000	$5,200,000

DESCRIPTION: Phased design and construction of Friendship Road, connecting State Highway 56 to Lamberth Road.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Project is included in the Master Thoroughfare Plan. Additional improvements may be needed as Hickory Hill planned development builds out.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

TRAILS MASTER PLAN IMPLEMENTATION

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000

DESCRIPTION: Implement projects related to the Trails Master Plan.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Annual improvements, per directive of the Trails Master Plan, to address increasing demands for City amenities.

DEPARTMENT/ PROJECT MANAGER: Parks and Recreation, Justin Eastwood

ANNUAL PARK IMPROVEMENTS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000

DESCRIPTION: Annual projects to address various park improvement needs.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Projects necessary to meet increasing demands tied to City growth. The projects will be consistent with the Comprehensive Master Plan.

DEPARTMENT/ PROJECT MANAGER: Parks and Recreation, Justin Eastwood

GENERAL FUND

CHERRY STREET REPAIRS - US 75 SERVICE ROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,216,146	$0	$0	$0	$0	$1,216,146

DESCRIPTION: Continue repairs to Cherry Street, southeast to the US 75 service road, including curb and gutters.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

REPAIR N. TRAVIS STREET - US 75 SERVICE ROAD TO HOUSTON STREET

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$844,165	$0	$0	$0	$0	$844,165

DESCRIPTION: Repair North Travis Street from US 75 service road east to Houston Street.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

GENERAL FUND

REPAIR TAYLOR STREET - FM 1417 TO TEXOMA PARKWAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$2,675,098	$0	$0	$0	$2,675,098

DESCRIPTION: Repair Taylor Street from FM 1417 to Texoma Parkway.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

REPAIR LAMBERTH ROAD - FM 1417 TO LOY LAKE ROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$2,579,350	$0	$0	$2,579,350

DESCRIPTION: Repair Lamberth Road from FM 1417 to Loy Lake Road.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

GENERAL FUND

REPAIR WOODS STREET - BELDEN TO LAMAR STREET

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$1,688,170	$0	$0	$1,688,170

DESCRIPTION: Repair Woods Street from Belden to Lamar Street.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

REPAIR FALLON DRIVE - US 75 SERVICE ROAD EAST TO TEXOMA PARKWAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$1,527,900	$0	$0	$1,527,900

DESCRIPTION: Repair Fallon Drive from US 75 service road east to Texoma Parkway.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

GENERAL FUND

REPAIR FRIENDSHIP ROAD - SH 56 TO OB GRONER

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$736,010	$0	$736,010

DESCRIPTION: Repair Friendship Road from State Highway 56 to OB Groner Road.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

REPAIR OB GRONER - FM 1417 TO CHOCTAW CREEK/CITY LIMITS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$562,870	$0	$562,870

DESCRIPTION: Repair OB Groner Road from FM 1417 to Choctaw Creek and the City limits.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

UTILITY SERVICES
2025 - 2030

UTILITY SERVICES

CAPITAL BUDGET: 2025-2030

Within the Five-year Capital Improvement Program, the first year is considered the Capital Budget. The appropriation ordinance will give initial authorization for the staff to prepare and execute all projects listed for the coming year. City Council will consider the projects in subsequent years for approval and funding during the budget process for each year. These projects listed are for information and planning purposes and do not obligate the Council to approve or fund beyond the current approved appropriations ordinance.

These are Utility Services Projects, being specifically related to the operation of a Water and Sewer System and having certain types of financing requirements different from those typically used for General Services.

UTILITY SERVICES

OVERSIZING COSTS FOR ANNUAL WATER & SEWER PROJECTS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$300,000	$300,000	$300,000	$500,000	$0	$1,400,000

DESCRIPTION: Includes oversizing for annual water and sewer projects, as well as line replacements

PROPOSED FINANCING: Utility Improvement Fund

PROJECT NECESSITY: In order to address annual wear and tear & development demands, updates related to oversizing and line replacements are required.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UPGRADE WWTP FROM 10 MGD (ADF) TO 14 MGD (ADF)

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$8,000,000	$33,500,000	$70,000,000	$0	$0	$111,500,000

DESCRIPTION: Upgrade the daily treatment capacity at the Wastewater Treatment Plant (WWTP) from 10 MGD (ADF) to 14 MGD (ADF).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Critical upgrade required to meet current wastewater treatment demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

CONTINUE HIGH COUNTRY ESTATES WATER SYSTEM UPGRADES

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$75,000	$70,000	$75,000	$0	$0	$220,000

DESCRIPTION: Continue to upgrade the water system at the High Country Estates subdivision, approximately 9,000 linear feet, annually, over a four-year period.

PROPOSED FINANCING: Utility Improvement Fund

PROJECT NECESSITY: The annexation of High Country Estates has necessitated upgrades to bring to City water system standards.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

CONSTRUCT 84-INCH WATER LINE FROM LAKE TEXOMA TO WTP

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$14,000,000	$28,000,000	$0	$0	$0	$42,000,000

DESCRIPTION: Construction of a new 84-inch raw water line, parallel to existing 72-inch line, from Lake Texoma to the Water Treatment Plant (WTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Required City contribution by the North Texas Municipal Water District (NTMWD) for an additional raw water pipeline from the Lake Texoma Pump Station to the Water Treatment Plant.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

REHAB EQUALIZATION BASIN BLOWER & REHAB/REPLACE SLUDGE DIGESTER COMPLEX

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$7,300,000	$5,560,000	$0	$0	$0	$12,860,000

DESCRIPTION: Rehabilitation of EQ blower, blower building, and electrical feeds supplying the equalization basin blowers. Additionally, rehab/replace components of the sludge digester at WWTP.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Due to age and corrosion, it is necessary to rehabilitate or replace worn components to prevent equipment failure and safety hazards at the Wastewater Treatment Plant (WWTP).

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

PROCURE MATERIALS FOR LAKE TEXOMA PUMP STATION GENERATOR & SWITCHGEAR UPDATES

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,600,000	$1,740,000	$0	$0	$0	$4,340,000

DESCRIPTION: Procure materials for installation of a backup generator and switchgear at the Lake Texoma Pump Station (LTPS).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: In an effort to mitigate delays for lead time issues, material procurement is recommended for the generator and switchgear.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

ADD 8-INCH WATER LINE ACROSS US 75 TO STABILIZE ELEVATED TANK LEVELS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$78,200	$521,000	$0	$0	$0	$599,200

DESCRIPTION: Design and installation of an 8-inch water line across US 75 for the Fairview and Harrison elevated tanks.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: The addition of the water line will help to stabilize these elevated storage tanks and is included in the Water Master Plan.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

USACE WATER STORAGE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$10,106,467	$0	$0	$0	$0	$10,106,467

DESCRIPTION: Agreement with the U.S. Army Corps of Engineers, for the right to increased water storage within Lake Texoma, allowing the City to obtain additional water rights.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Sherman is continuing to look for additional water rights to handle future development and water demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

REROUTE 24-INCH WASTEWATER LINE FROM NEW SOUTH WWTP TO NORTH WWTP

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$5,860,000	$0	$0	$0	$0	$5,860,000

DESCRIPTION: This project will reroute 3,000 linear feet of 24-inch wastewater line from the new south Wastewater Treatment Plant (WWTP) to the north WWTP.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Rerouting the wastewater line is necessary for treatment of Texas Instruments wastewater.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

CONSTRUCT PHASE II OF SEWER LINE REPLACEMENTS IN DOWNTOWN SHERMAN

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,000,000	$0	$0	$0	$0	$2,000,000

DESCRIPTION: Construct phase II for a multi-phase replacement of sewer lines in downtown Sherman

PROPOSED FINANCING: GTUA - paid by the Downtown Tax Increment Reinvestment Zone

PROJECT NECESSITY: The downtown sewer line system is deteriorating and reaching the end of its useful life.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

REHABILITATION OF WTP BACKWASH TANK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,350,000	$0	$0	$0	$0	$2,350,000

DESCRIPTION: Rehabilitate the Water Treatment Plant (WTP) backwash tank, including all hatches and accesses, ladders, lighting, paint/coat tank and associated equipment

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Necessary to extend tank life and meet TCEQ/EPA code.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

INCREASE EXISTING 6-INCH WATER LINE ACROSS SH 289 TO 12-INCH PVC LINE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,900,000	$0	$0	$0	$0	$1,900,000

DESCRIPTION: Increase water line across SH 289 from a 6-inch line to a 12-inch PVC line.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Increasing the size of the water line is necessary to address increased growth and usage in surrounding areas.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

ABANDON OLD 18-INCH & 24-INCH SOUTH INDUSTRIAL SEWER LINE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,750,000	$0	$0	$0	$0	$1,750,000

DESCRIPTION: Abandon the old 18-inch and 24-inch south industrial sewer line, approximately 1,900 linear feet from new line to the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: With the addition of the new line, the old south industrial sewer line is obsolete and no longer required.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

TAYLOR STREET WATER LINE - TEXOMA PARKWAY TO LOY LAKE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$440,000	$0	$0	$0	$0	$440,000

DESCRIPTION: Relocate the Taylor Street water line from Texoma Parkway to Loy Lake Road.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: TxDOT is realigning the Taylor Street bridge, requiring the City to relocate the adjacent water line.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

REPLACE VARIOUS EXISTING SANITARY SEWER LINES ALONG POST OAK CREEK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$7,332,000	$9,400,000	$3,800,000	$0	$20,532,000

DESCRIPTION: Install new 48-inch, 60-inch and 72-inch sanitary sewer lines to replace existing 27-inch, 39-inch and 42-inch lines going to the Wastewater Treatment Plant (WWTP) along Post Oak Creek.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Increasing size of creek sewer lines running to the WWTP is necessary to accommodate increasing sewer demands tied to recent and future growth.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UPSIZE 21-INCH SANITARY SEWER LINE TO 30-INCH LINE - THE VILLAGE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$7,000,000	$0	$0	$8,000,000

DESCRIPTION: Upsize the Choctaw sanitary sewer line from a 21-inch line to a 30-inch line to address flow from The Village planned development, south of Sherman High School.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Recent City growth requires increasing the size of the sanitary sewer system, in order to effectively meet wastewater collection and treatment demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

UPSIZE 21-INCH SANITARY SEWER LINE TO 36-INCH LINE - PROGRESS PARK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$6,600,000	$0	$0	$7,600,000

DESCRIPTION: Upsize the 21-inch sanitary sewer line servicing Progress Park to a 36-inch sanitary sewer line.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Recent City growth requires increasing the size of the sanitary sewer system, in order to effectively meet wastewater collection and treatment demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

REPLACE FAILING CLAY TILE SEWER LINE ON TEXOMA PARKWAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$841,900	$3,000,000	$0	$0	$3,841,900

DESCRIPTION: Replace failing clay tile sewer line on Texoma Parkway, near proposed Peyton Street development.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Evaluation of the proposed development off Peyton Street revealed a failure along a clay tile sewer line, which is reaching the end of its useful life.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

UPSIZE 15-INCH SANITARY SEWER LINE TO 24-INCH LINE - SHEPHERD DRIVE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$600,000	$3,750,000	$0	$0	$4,350,000

DESCRIPTION: Upsize the 15-inch sanitary sewer line along Shepherd Drive to a 24-inch line to address flow.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Recent City growth requires increasing the size of the sanitary sewer system, in order to effectively meet wastewater collection and treatment demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

REHABILITATION & SAFETY IMPROVEMENTS TO DECANT LIFT STATION

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$50,000	$430,000	$0	$0	$480,000

DESCRIPTION: Rehabilitate and implement safety improvements to the decant lift station at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: The decant lift station allows pumping out of the sludge holding ponds. The Condition Assessment determined the station is in need of rehabilitation and missing various safety measures.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

ADD FILTERS AND RELIFT PUMP FOR FULL 16 MGD CAPACITY AT WWTP

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$3,300,000	$0	$0	$0	$3,300,000

DESCRIPTION: Add filters and re-lift pump for full 16 MGD capacity at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Additional filters and re-lift pump are necessary to expand the capacity of existing filters to meet full 16 MGD capacity.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

CLARIFIER #3 REHABILITATION & NFPA UPGRADES TO GRIT BUILDING

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$2,510,000	$0	$0	$0	$2,510,000

DESCRIPTION: Rehabilitate clarifier #3 and perform NFPA upgrades to the grit building at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Clarifier #3 is aging and in need of rehab to remain in service. Additionally, NFPA upgrades are needed to ensure grit building operator safety and continued operation, as recommended by the WWTP Condition Assessment.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

BEL AIR CONSTRUCTION - PHASE III - 20-INCH SURFACE WATER LINE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,200,000	$0	$0	$0	$1,200,000

DESCRIPTION: Construct 20-inch surface water line from creek crossing to end of Phase I line. Includes relocating existing groundwater line to follow creek, as well as constructing a new pressure vault at FM 1417. Phase III extends from Legacy Boulevard to west side of US 75.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Necessary infrastructure to service Bel Air development and tie into the new Legacy water line.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

MAJOR REHABILITATION OR REPLACEMENT OF WWTP BAR SCREENS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$200,000	$1,750,000	$0	$1,950,000

DESCRIPTION: Rehabilitate or replace bar screens at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: The bar screens are nearing the end of their useful life and will require rehabilitation or replacement.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

DESIGN-BUILD PERMANENT STAFF OFFICE FACILITY AT WWTP

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$1,500,000	$6,000,000	$7,500,000

DESCRIPTION: Design-build a permanent office facility for staff at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Currently, WWTP staff are utilizing a combination of existing permanent office space and a temporary building. In order to accommodate new staff, increasing permanent office space with a conference room is required.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

DESIGN & CONSTRUCT NEW 18-INCH WASTEWATER LINE ALONG CHOCTAW CREEK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$2,500,000	$20,000,000	$22,500,000

DESCRIPTION: Design and construct a new 18-inch wastewater line along Choctaw Creek.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: The project will address increased development demand in southwest Sherman.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

STORMWATER SERVICES
2025 - 2030

STORMWATER SERVICES

CAPITAL BUDGET: 2025-2030

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These are Stormwater Services Projects, being specifically related to the operation of the Municipal Drainage Utility System and having certain types of financing requirements different from those typically used for General Services.

STORMWATER SERVICES

HILLCREST/WOODS BRIDGES - EROSION REPAIR & DECK OVERLAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$550,000	$0	$0	$0	$550,000

DESCRIPTION: Repair erosion damage and overlay the bridge deck on the Hillcrest Street bridge and North Woods bridge at Post Oak Creek.

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.

DEPARTMENT/ PROJECT MANAGER: Director of Engineering, Wayne Lee

TAYLOR/WASHINGTON BRIDGES - EROSION REPAIR & DECK OVERLAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$550,000	$0	$0	$0	$550,000

DESCRIPTION: Repair erosion damage and overlay the bridge deck on the Taylor Street bridge and Washington Street bridge at Post Oak Creek.

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.

DEPARTMENT/ PROJECT MANAGER: Director of Engineering, Wayne Lee

STORMWATER SERVICES

INCREASE CULVERT CAPACITY UNDER GRIBBLE STREET

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$400,000	$0	$0	$400,000

DESCRIPTION: Increase the capacity of the Stream G box culvert under Gribble Street.

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: This project is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flood damage and decrease road closures during 100-year storms.

DEPARTMENT/ PROJECT MANAGER: Director of Engineering, Wayne Lee

PECAN/RICKETTS/CENTENNIAL/BLUE FLAME BRIDGES - EROSION REPAIR & DECK OVERLAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$275,000	$0	$0	$275,000

DESCRIPTION: Repair erosion damage and overlay the bridge deck on the West Pecan Street, North Ricketts Street, Centennial Street, and Blue Flame Road bridges.

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.

DEPARTMENT/ PROJECT MANAGER: Director of Engineering, Wayne Lee

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. D.2.

Meeting Date: 9/2/2025

Prepared By: Mary Lawrence, Chief Financial Officer

Approved By: Zachary Flores, Acting City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6864

Adopting a Budget and Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026; Declaring that this Budget Will Raise Less Revenue from Property Taxes than Last Year's Budget by $3,742,155 which is a 9.1% Decrease from Last Year's Budget. The Property Tax Revenue to be Raised from New Property Added to the Tax Roll this Year is $3,496,261; Providing a Savings/Repealing Clause, Severability Clause and Effective Date; Providing for the Publication of the Caption Hereof

Issue:

To hold the public hearing on the proposed budget for the 2024-2025 fiscal year as required by Local Government Code Chapter 102

Background:

The attached proposed budget for Fiscal Year (FY) 2026 is based on the direction provided by the City Council at the June 12, 2025, budget workshop.

The draft budget contains about $187.2 million in appropriations, which is about $2.4 million less than the prior year's original budget of $189.6 million, due to a decrease in capital expenses. The draft budget contains market increases for various positions and a 3% increase for all employees. Full-time positions increased from 573 to 587, consisting of positions added during the current year and new positions for FY2026, including three in the General Fund, one in Equipment Services, seven in the Utility Fund and three in the Solid Waste Fund. Fund balances for the General, Utility, and Solid Waste Funds are within the targeted range of 60 to 90 days.

The capital program is funded by Certificates of Obligation issued in 2025, and an issue of about $20 million expected in late Summer 2026. Projects include new roads such as extensions to Moore Street, Lamberth Road, and Friendship Road, rebuilding of the next section of Cherry Street, and improvements to downtown parking. The property tax rate remains unchanged at $.508/$100 of valuation. The utility rate plan has been implemented, resulting in a 6% increase in rates for the residential accounts and about 9% for commercial accounts. Tax Notes of about $4.5 million will be used to finance fleet, equipment, and street improvements with repayment made from property tax revenues. More detailed information is available in the attachments.

Capital Improvement Program:

Origination:

Mary Lawrence, CFO

Financial Consideration:

The proposed budget includes appropriations of $187.2 million for the 2025-2026 fiscal year.

Staff Recommendation:
Staff recommends the Council hold the required public hearing then vote to approve the budget ordinance. The vote must be a record vote.

Alternatives:
Any changes to the proposed budget would have to come through a budget amendment after final adoption of the budget and related tax rate.

Attachments:
1. Ordinance No. 6864
2. DRAFT Budget with Schedules 2026

ORDINANCE NO. 6864

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ADOPTING A BUDGET AND PROVIDING FOR THE APPROPRIATION OF FUNDS FOR OPERATING AND CAPITAL EXPENDITURES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025, AND ENDING SEPTEMBER 30, 2026; DECLARING THAT THIS BUDGET WILL RAISE LESS REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY $3,742,166 AND 9.1%, AND OF THAT AMOUNT $3,496,261 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR; PROVIDING A 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, pursuant to the laws of the State of Texas and Sherman's Home Rule Charter, the City Manager has submitted to the City Council the proposed budget of the revenues and expenditures for conducting the affairs of Sherman and providing a complete financial plan for the fiscal year beginning October 1, 2025, and ending September 30, 2026, and has filed the same with the municipal clerk (the "budget"). A copy of the budget is attached hereto as Exhibit A and incorporated herein for all purposes; and

WHEREAS, public hearings were held by the City Council on said budget on August 18, 2025, and September 2, 2025, at which time said budget was fully considered, and interested taxpayers were given the opportunity to be heard by the City Council; and

WHEREAS, the City Council has studied the budget and listened to the comments of the taxpayers at the public hearings and has investigated and determined that adoption of the budget is in the best interest of the City; and

WHEREAS, the City Council finds that all legal notices, hearings, procedures and publishing requirements for the adoption of the budget have been performed or completed in the manner and form set forth by law.

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

SECTION 1. That, pursuant to Article V of the City Charter, there is hereby appropriated for Operating Expenditures the sums of money as established in the approved Operating Budget Document, attached as Exhibit A hereto, for fiscal year beginning October 1, 2025, and ending September 30, 2026.

SECTION 2. That, pursuant to Article V of the City Charter, there is hereby appropriated for Capital Expenditures the sums of money as established in the approved Capital Budget

Document, attached as Exhibit A hereto, for fiscal year beginning October 1, 2025, and ending September 30, 2026.

SECTION 3. That specific authority is hereby given to the City Manager to transfer appropriations budgeted from one account classification or activity to another within any individual department or activity, and to transfer appropriations from designated appropriations to any individual department or activity.

SECTION 4. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 5. That 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. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

SECTION 7. That this Ordinance shall become effective from and after its adoption and publication as required by the City Charter and by law.

INTRODUCED on this the 2nd day of September 2025.

ADOPTED on this the 2nd day of September 2025.

EFFECTIVE DATE on this the 2nd day of September 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN C. TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS,
EXEC. DIR. OF ADMINISTRATION/
ACTING CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

Date of Publication:_____*August 10, 2025*_____, *Sherman Herald Democrat*

Exhibit A

City of Sherman

ANNUAL OPERATING BUDGET
YEAR ENDING SEPTEMBER 30, 2026

This budget will raise less revenue from property taxes than last year's budget by an amount of $3,742,155, which is a 9.1 percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is $3,496,261.

City Council Record Vote

Mayor, Shawn Teamann
Deputy Mayor Juston Dobbs
Council Members:
Daron Holland
Clay Barnett
Pamela Howeth
Henry Marroquin
Josh Stevenson

	FY2025	FY2026
Property tax rate	0.508000	0.508000
No-new-revenue tax rate	0.479229	0.619404
No-new-revenue maintenance and operations tax rate	0.246523	0.373786
Voter-approval tax rate	0.515093	0.656778
Debt rate	0.200535	0.249560

Outstanding Debt

The total amount of outstanding municipal debt obligations secured by property taxes is $188,960,000.

PROPOSED BUDGET FOR THE CITY OF SHERMAN
FOR FISCAL YEAR 2026
August 18, 2025

SUMMARY

The attached proposed budget for Fiscal Year (FY) 2026 is based on the direction provided by the City Council at the June 12th, 2025, budget workshop.

The draft budget contains about $187.2 million in appropriations, which is about $2.4 million less than the prior year's original budget of $189.6 million, due to a decrease in capital expenses. The draft budget contains market increases for various positions and a 3% for all employees. Full-time positions increased from 573 to 587, consisting of positions added during the current year and new positions for FY2026, consisting of three in the General Fund, one in Equipment Services, seven in the Utility Fund and three in the Solid Waste Fund. Fund balances for the General, Utility, and Solid Waste Funds are within the targeted range of 60 to 90 days.

The capital program is funded by Certificates of Obligation issued in 2025, and an expected issue of about $20 million expected in late Summer 2026. Projects include new roads such as extensions to Moore Street, Lamberth Road, and Friendship Road, rebuilding of the next section of Cherry Street, and improvements to downtown parking. The property tax rate remains unchanged at $.508/$100 of valuation. The utility rate plan has been implemented resulting in a 6% increase in rates for the residential accounts and about 9% for commercial accounts. Tax Notes of about $4.5 million will be used to finance fleet, equipment, and street improvements with repayment made from property tax revenues. More detailed information is available in the attachments.

GENERAL FUND

The **General Fund** is unbalanced by about $376,000. Property values decreased by about 8.5% due to the effect of the first year of tax abatement for two large taxpayers. The property tax rate is unchanged at $.508/$100 with no increase for the additional debt issued in 2025. Sales tax revenue is budgeted to decrease about 2.5% due to effects of one-time revenues in prior years. Fleet purchases include two police Tahoes, a dump truck and various other fleet and equipment. Fund balance is projected to be $14.1 million or 75 days of operating expenses at the end of FY2026.

UTILITY FUND

The **Utility Fund** is balanced ongoing. Utility rates are budgeted to increase by about 6% for residential with higher percentage increases based on the usage tier for larger users. Three new positions are planned, in addition to the four positions added during the current year, to include one at the wastewater treatment plant, one in water quality, and

one in distribution/collection. Various trucks and trailers totaling about $700,000 are included in the budget. Fund balance at the end of FY2026 is projected to be about $15.4 million, or about 87 days of operating expenses.

SOLID WASTE FUND

The **Solid Waste Fund** is balanced on an on-going basis but unbalanced for the year due to an increase in the number of truck purchases for the year. If a distribution from TASWA is less than budgeted, or if the distribution declines in subsequent years, a rate increase will be considered. About $2.2 million in trucks and equipment, funded by Tax Notes, is planned. Three additional drivers are budgeted. Fund balance is projected to be $2.2 million, or 66 days of operating expenditures.

CAPITAL IMPROVEMENT FUNDS

The proposed budget of $17.9 million in the **General Improvement Fund – Bond Funds** consists of funding for the continuation of Moore Street, a traffic signal at Luella Road and FM 1417, Tortilla Way in the industrial park, improvements to Travis Street from the US 75 service road to Houston St., and the second phase of a major rebuild of Cherry Street. Downtown parking improvements, beautification on Elm Street, and the nearby parking lot on Laurel Street plus an additional parking lot on Walnut Street.

The proposed budget of about $2.4 million in the **General Improvement Fund – City Fund** is funded by Tax Notes. About $2.0 million is dedicated to purchasing street materials to maintain existing streets by in-house crews.

The **Utility Improvement Fund – GTUA Funds** proposed budget includes projects that will be funded by debt issued by the Greater Texoma Utility Authority (GTUA) on behalf of the City. Projects totaling $59 million include funding to replace and construct new water and sewer lines, upgrades to the north Wastewater Treatment Plant (WWTP) and the Water Treatment Plant (WTP), make the first payment to North Texas Municipal Water District for our share of a second water line from Lake Texoma Pump Station to the WTP, purchase additional Water Storage at Lake Texoma, and finish the improvements at the Lake Texoma Pump Station.

MAJOR IMPACTS

Tax Revenues

Property tax revenue is expected to decrease by about $3.7 million over last year due to the start of a ten-year tax abatement of two major industrial plants. Sales tax is expected to be about 2% below what is projected in FY2025 due to the completion of the two major industrial plants resulting in a decrease in construction-related sales tax.

Wage Increase
The proposed budget contains 3% across-the-board increase for other employees. The cost is projected to be about $2.3 million across all funds.

Fleet, Equipment and Buildings
Major fleet expenditures for this year include five trash trucks ($2.2 million), travel cars ($130,000), dump truck ($105,000), two patrol Tahoes ($192,000), eight pickups ($685,000), and various other routine replacements.

SUMMARY SCHEDULES, DETAILED FUND STATEMENTS, AND OTHER INFORMATION

The following pages include a schedule that summarizes the draft FY2026 budget, eliminating double counting for internal service funds and inter-fund transfers. Also included are statements of revenues and expenditures/expenses for each fund and a schedule of transfers, a property tax historical summary, debt schedule, itemization of certain expenditures required by Local Government Code Section 140 and the Tax Rate Calculation Worksheets.

City of Sherman
ALL FUNDS
2025-2026 Annual Budget

	General Funds	Enterprise Funds	Capital Improvement Funds	Special Revenue Funds	Internal Service Funds	Debt Service Funds	Trust Fund	Interfund Transfers	Totals
Beginning Fund Balance	$ 14,431,800	$ 17,535,417	$ 70,991,068	$ 1,702,017	$ 1,743,437	$ 576,458	$ 1,853,721	$ -	$ 108,833,918
Revenues:									
Taxes	50,508,800	-	958,902	800,000	3,032,000	14,010,000	-	-	69,309,702
Water Sales	-	35,833,358	-	-	-	-	-	-	35,833,358
Sewer Sales	-	23,098,548	-	-	-	-	-	-	23,098,548
Solid Waste Service	-	10,417,000	-	-	-	-	-	-	10,417,000
Sales & Service	7,227,850	1,276,000	3,710,000	2,897,000	16,791,740	-	10,000	(15,408,380)	16,504,210
Intergovernmental	837,704	1,416,085	362,714	151,000	-	-	-	-	2,767,503
Interest Income	1,300,000	250,000	3,541,200	65,470	190,000	35,000	-	-	5,381,670
Miscellaneous Revenue	338,100	1,225,000	-	38,090	350,000	-	-	-	1,951,190
Debt Proceeds	-	-	17,114,009	-	2,545,016	-	-	-	19,659,025
Transfers In	8,002,863	3,641,000	3,000,000	150,000	-	1,071,358	-	(15,865,221)	-
Total Revenues	68,215,317	77,156,991	28,686,825	4,101,560	22,908,756	15,116,358	10,000	(31,273,601)	184,922,206
Total Funds Available	82,647,117	94,692,408	99,677,893	5,803,577	24,652,193	15,692,816	1,863,721	(31,273,601)	293,756,124
Expenditures:									
Personnel	46,834,180	14,472,400	-	1,068,440	2,729,600	-	-	-	65,104,620
Supplies	2,971,196	7,268,327	-	530,669	1,541,638	-	-	-	12,311,830
Repair & Maintenance	2,387,582	4,845,978	-	97,540	2,542,640	-	-	-	9,873,739
Utilities	1,617,260	3,428,360	-	46,900	133,880	-	-	-	5,226,400
Information Technology	1,919,595	682,820	-	32,170	83,610	-	-	(2,718,195)	-
Debt Service	-	28,149,364	-	-	3,121,920	15,648,119	-	-	46,919,403
Services & Charges	8,359,518	6,675,020	150,000	2,380,302	9,311,818	13,000	-	(5,384,810)	21,504,848
Vehicle Usage	3,199,140	2,687,970	-	84,860	-	-	-	(5,971,970)	-
Fleet Services & Charges	482,199	615,644	-	-	235,562	-	-	(1,333,405)	-
Capital Expenses	670,615	115,000	21,129,709	733,745	3,568,579	-	-	-	26,217,648
Transfers Out	150,000	8,135,019	7,140,931	395,427	43,844	-	-	(15,865,221)	-
Total Expenditures	68,591,284	77,075,902	28,420,640	5,370,053	23,313,091	15,661,119	-	(31,273,601)	187,158,489
Excess Revenues Over Expenditures	(375,967)	81,089	266,185	(1,268,493)	(404,335)	(544,761)	10,000	-	(2,236,283)
Ending Fund Balance	$ 14,055,833	$ 17,616,506	$ 71,257,253	$ 433,524	$ 1,339,102	$ 31,697	$ 1,863,721	$ -	$ 106,597,636

City of Sherman
GENERAL FUND
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 18,664,620	$ 18,209,890	$ 19,556,119	$ 14,431,800
Revenues				
Property Tax	14,513,257	25,484,400	24,595,700	19,064,700
Sales Tax	30,010,369	28,500,000	28,640,000	27,970,000
Franchise Tax	3,120,613	3,081,000	3,268,000	3,301,000
Other Taxes	175,182	178,500	174,000	173,100
Fines & Penalties	803,345	663,000	1,027,650	1,027,650
Recreation	428,188	381,000	441,000	441,000
Licenses & Permits	2,924,652	1,087,465	2,072,700	1,975,700
Rentals	5,088	7,450	5,200	5,200
Cemetery	226,234	256,100	312,200	251,700
Sales & Service	3,321,816	2,357,450	1,644,100	1,298,500
Ambulance Service	2,180,275	1,881,500	2,228,100	2,228,100
Interest Income	824,458	650,000	1,300,000	1,300,000
Grant Revenue	111,581	63,225	43,000	12,000
Intergovernmental	838,202	838,469	838,469	837,704
Miscellaneous Revenue	849,671	1,667,265	549,650	326,100
Total Revenues	60,332,932	67,096,824	67,139,769	60,212,454
Transfers In	5,005,471	6,215,063	6,355,055	8,002,863
Total Revenues and Transfers In	65,338,403	73,311,887	73,494,824	68,215,317
Total Funds Available	84,003,023	91,521,777	93,050,943	82,647,117
Expenditures				
Personnel	41,740,954	44,901,880	45,486,371	46,834,180
Supplies	2,343,592	2,947,149	2,748,793	2,971,196
Repair & Maintenance	3,245,999	2,611,799	2,811,630	2,387,582
Utilities	1,339,613	1,470,010	1,496,820	1,617,260
Information Technology	1,345,455	1,572,450	1,576,020	1,919,595
Services & Charges	7,475,211	8,941,666	9,068,999	8,359,518
Vehicle Usage	3,139,041	2,972,400	3,153,355	3,199,140
Capital Expenses	915,231	1,087,599	1,463,424	670,615
Fleet Services & Charges	1,901,807	1,813,732	1,813,732	482,199
Transfers Out	1,000,000	8,300,000	9,000,000	150,000
Total Expenditures	64,446,903	76,618,685	78,619,143	68,591,284
Excess Revenues over Expenditures	891,500	(3,306,798)	(5,124,319)	(375,967)
Ending Fund Balance	$ 19,556,119	$ 14,903,092	$ 14,431,800	$ 14,055,833

City of Sherman
RISK CONTINGENCY
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ -	$ -	$ -	$ 8,300,000
Revenues				
Transfers In	-	8,300,000	8,300,000	-
Expenditures				
Transfers Out	-	-	-	-
Excess Revenues over Expenditures	-	8,300,000	8,300,000	-
Ending Fund Balance	$ -	$ 8,300,000	$ 8,300,000	$ 8,300,000

City of Sherman
ENTERPRISE FUNDS
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 9,174,311	$ 10,300,841	$10,426,453	$17,535,417
Revenues:				
Water Sales	18,984,415	25,127,330	26,730,000	35,833,358
Sewer Sales	10,823,414	19,441,124	16,550,000	23,098,548
Solid Waste Service	8,852,830	10,002,000	10,160,000	10,417,000
Sales & Service	1,091,707	1,186,500	1,243,100	1,276,000
Intergovernmental	410,336	417,870	417,870	1,416,085
Interest Income	249,966	173,000	250,000	250,000
Miscellaneous Revenue	1,078,060	1,219,600	1,655,000	1,225,000
Debt Proceeds	-	343,200	343,200	-
Transfers In	1,599,042	474,000	474,000	3,641,000
Total Revenues	43,089,768	58,384,624	57,823,170	77,156,991
Total Funds Available	52,264,079	68,685,465	68,249,623	94,692,408
Expenditures:				
Personnel	10,720,544	12,984,300	12,864,888	14,472,400
Supplies	2,661,142	4,157,368	3,510,473	7,268,327
Repair & Maintenance	4,637,098	5,329,670	4,796,383	4,845,978
Utilities	2,504,847	2,884,240	3,018,360	3,428,360
Information Technology	481,877	579,650	580,970	682,820
Services & Charges	5,158,134	6,171,950	5,573,887	6,675,020
Vehicle Usage	2,577,784	2,604,280	2,681,978	2,687,970
Debt Service	7,360,891	10,786,399	10,215,541	28,149,364
Fleet Services & Charges	234,800	182,547	182,547	615,644
Capital Expenses	411,502	803,449	520,395	115,000
Transfers Out	5,089,007	6,673,221	6,768,784	8,135,019
Total Expenditures	41,837,627	53,157,073	50,714,206	77,075,902
Excess Revenues over Expenditures	1,252,142	5,227,551	7,108,964	81,089
Ending Fund Balance	$ 10,426,453	$ 15,528,392	$ 17,535,417	$ 17,616,506

City of Sherman
CAPITAL IMPROVEMENT FUNDS
2024-2025 Annual Budget

	220 General CIP City Funds	222 General CIP Bond Funds	224 Street Revolving	235 Regional Detention	250 Roadway Impact Fee #1	251 Roadway Impact Fee #2	252 Roadway Impact Fee #3	253 Roadway Impact Fee #4
Beginning Fund Balance	$ 1,154,362	$ 58,185,631	$ 575,487	$ 57,391	$ 36,342	$ 863,821	$ 266,203	$ 1,369,234
Revenues:								
Interest Income	-	3,000,000	25,000	800	7,000	28,000	1,000	40,000
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Sales & Service	-	-	-	25,000	100,000	375,000	10,000	400,000
Miscellaneous Revenue	-	-	-	-	-	-	-	-
Debt Proceeds	2,203,698	14,910,311	-	-	-	-	-	-
Transfers In	-	3,000,000	-	-	-	-	-	-
Total Revenues	2,203,698	20,910,311	25,000	25,800	107,000	403,000	11,000	440,000
Total Funds Available	3,358,060	79,095,942	600,487	83,191	143,342	1,266,821	277,203	1,809,234
Expenditures								
Capital Expenses	2,369,398	17,760,311	250,000	75,000	-	-	-	-
Services & Charges	-	150,000	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	1,200,000	-	1,800,000
Total Expenditures	2,369,398	17,910,311	250,000	75,000	-	1,200,000	-	1,800,000
Excess Revenues over Expenditures	(165,700)	3,000,000	(225,000)	(49,200)	107,000	(797,000)	11,000	(1,360,000)
Ending Fund Balance	$ 988,662	$ 61,185,631	$ 350,487	$ 8,191	$ 143,342	$ 66,821	$ 277,203	$ 9,234

City of Sherman
CAPITAL IMPROVEMENT FUNDS
2024-2025 Annual Budget

330 TIRZ #2 Construction	241 TIRZ #5 Construction	242 TIRZ #6 Construction	243 TIRZ #7 Construction	244 TIRZ #8 Construction	245 TIRZ #9 Construction	750 Water Impact Fee	751 Sewer Impact Fee	770 Utility CIP City Funds
$ (6,972)	$ (304,814)	$ 464,483	$ (441,602)	$ 7,630	$ -	$ 5,829,601	$ 2,167,096	$ 767,176
2,400	-	12,000	-	-	-	160,000	65,000	200,000
479,347	107,958	44,157	249,335	51,994	26,111	-	-	-
-	78,676	36,452	164,180	33,359	47	-	-	-
-	-	-	-	-	-	2,000,000	800,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
481,747	186,634	92,609	413,515	85,353	26,158	2,160,000	865,000	200,000
474,775	(118,180)	557,092	(28,087)	92,983	26,158	7,989,601	3,032,096	967,176
250,000	-	-	-	-	-	-	-	375,000
-	-	-	-	-	-	-	-	-
200,000	288,196	225,384	177,351	-	-	3,250,000	-	-
450,000	288,196	225,384	177,351	-	-	3,250,000	-	375,000
31,747	(101,562)	(132,775)	236,164	85,353	26,158	(1,090,000)	865,000	(175,000)
$ 24,775	$ (406,376)	$ 331,708	$ (205,438)	$ 92,983	$ 26,158	$ 4,739,601	$ 3,032,096	$ 592,176

City of Sherman
CAPITAL IMPROVEMENT FUNDS
2024-2025 Annual Budget

777 Utility CIP GTUA	Total
$ (0)	$ 70,991,068
-	3,541,200
-	958,902
50,000	362,714
-	3,710,000
-	-
-	17,114,009
-	3,000,000
50,000	28,686,825
50,000	99,677,893
50,000	21,129,709
-	150,000
-	7,140,931
50,000	28,420,640
-	266,185
$ (0)	$ 71,257,253

City of Sherman
SPECIAL REVENUE FUNDS
2023-2024 Annual Budget

	420 Stormwater	430 Bel Air Public Imp District	440 E 911	450 Security & Technology	460 Hotel/ Motel	470 Drug Enforcement	480 Airport
Beginning Fund Balance	$ (22,295)	$ 299,939	$ 700,952	$ 130,686	$ 89,372	$ 183,171	$ 112,191
Revenues							
Taxes	-	-	-	-	800,000	-	-
Sales & Service	930,000	988,000	330,000	70,500	86,500	65,000	427,000
Intergovernmental	-	-	51,000	-	-	-	100,000
Interest Income	1,000	17,000	35,000	3,500	-	1,900	5,500
Miscellaneous Revenue	-	-	-	-	1,500	-	-
Debt Proceeds	-	-	-	-	-	-	-
Transfers In	-	-	-	-	150,000	-	-
Total Revenues	931,000	1,005,000	416,000	74,000	1,038,000	66,900	532,500
Total Funds Available	908,705	1,304,939	1,116,952	204,686	1,127,372	250,071	644,691
Expenditures							
Personnel	233,440	-	600,520	-	234,480	-	-
Supplies	5,429	-	-	20,500	27,750	50,400	396,590
Repair & Maintenance	69,545	-	-	-	7,000	12,000	8,995
Utilities	1,230	-	-	-	32,780	-	12,890
Information Technology	8,580	-	-	-	23,590	-	-
Services & Charges	24,966	1,250,000	188,687	12,000	734,875	6,500	108,274
Capital Expenses	225,000	-	268,745	-	-	-	100,000
Vehicle Usage	52,340	-	-	-	25,520	-	7,000
Fleet Services & Charges	-	-	-	-	-	-	-
Transfers Out	272,275	-	-	15,000	108,152	-	-
Total Expenditures	892,805	1,250,000	1,057,952	47,500	1,194,147	68,900	633,749
Excess Revenues over Expenditures	38,195	(245,000)	(641,952)	26,500	(156,147)	(2,000)	(101,249)
Ending Fund Balance	$ 15,900	$ 54,939	$ 59,000	$ 157,186	$ (66,775)	$ 181,171	$ 10,942

City of Sherman
SPECIAL REVENUE FUNDS
2023-2024 Annual Budget

455 Parks Pride	456 Police Pride	457 Donations	Total
$ 159,393	$ 27,818	$ 20,790	$ 1,702,017
-	-	-	800,000
-	-	-	2,897,000
-	-	-	151,000
500	720	350	65,470
13,200	10,390	13,000	38,090
-	-	-	-
-	-	-	150,000
13,700	11,110	13,350	4,101,560
173,093	38,928	34,140	5,803,577
-	-	-	1,068,440
-	-	30,000	530,669
-	-	-	97,540
-	-	-	46,900
-	-	-	32,170
50,000	5,000	-	2,380,302
120,000	20,000	-	733,745
-	-	-	84,860
-	-	-	-
-	-	-	395,427
170,000	25,000	30,000	5,370,053
(156,300)	(13,890)	(16,650)	(1,268,493)
$ 3,093	$ 13,928	$ 4,140	$ 433,524

City of Sherman
INTERNAL SERVICE FUNDS
2025-2026 Annual Budget

	600 Insurance	630 IT	650 Equipment	660 Fleet Replacement	Total
Beginning Fund Balance	$ 1,031,840	$ 96,896	$ 93,480	$ 521,221	$ 1,743,437
Revenue					
Sales & Service	6,768,170	2,718,195	5,971,970	1,333,405	16,791,740
Taxes	-	-	-	3,032,000	3,032,000
Interest Income	60,000	-	-	130,000	190,000
Debt Proceeds	-	-	-	2,545,016	2,545,016
Miscellaneous Revenue	350,000	-	-	-	350,000
Total Revenue	7,178,170	2,718,195	5,971,970	7,040,421	22,908,756
Total Funds Available	8,210,010	2,815,091	6,065,450	7,561,642	24,652,193
Expenditures					
Personnel	-	1,254,920	1,474,680	-	2,729,600
Supplies	-	153,444	1,388,194	-	1,541,638
Repair & Maintenance	-	424,258	2,118,382	-	2,542,640
Utilities	-	100,010	33,870	-	133,880
Information Technology	-	-	83,610	-	83,610
Services & Charges	8,021,000	610,819	579,999	100,000	9,311,818
Debt Service	-	-	-	3,121,920	3,121,920
Fleet Services & Charges	-	57,000	178,562	-	235,562
Capital Expenses	-	74,000	42,500	3,452,079	3,568,579
Transfers Out	-	43,844	-	-	43,844
Total Expenditures	8,021,000	2,718,295	5,899,797	6,673,999	23,313,091
Excess Revenues over Expenditures	(842,830)	(100)	72,173	366,422	(404,335)
Ending Fund Balance	$ 189,010	$ 96,796	$ 165,653	$ 887,643	$ 1,339,102

City of Sherman
DEBT SERVICE FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 1,477,806	$ 1,270,262	$ 576,458
Revenues			
Property Tax	10,413,377	12,660,154	14,010,000
Transfers In	1,075,000	1,065,000	1,071,358
Interest Income	115,660	35,000	35,000
Miscellaneous Revenue	1,056	-	-
Total Revenues	11,605,092	13,760,154	15,116,358
Total Funds Available	13,082,898	15,030,416	15,692,816
Expenditures			
Debt Service	11,804,611	14,441,958	15,648,119
Services & Charges	8,025	12,000	13,000
Total Expenditures	11,812,636	14,453,958	15,661,119
Excess Revenues over Expenditures	(207,544)	(693,804)	(544,761)
Ending Fund Balance	$ 1,270,262	$ 576,458	$ 31,697

City of Sherman
PERPETUAL CARE FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 1,836,721	$ 1,843,721	$ 1,853,721
Revenues			
Sales & Service	7,000	10,000	10,000
Interest Income	-	-	-
Total Revenues	7,000	10,000	10,000
Total Funds Available	1,843,721	1,853,721	1,863,721
Expenditures			
Miscellaneous	-	-	-
Ending Fund Balance	$ 1,843,721	$ 1,853,721	$ 1,863,721

City of Sherman
UTILITY FUND
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Reserve	$ 7,224,807	$ 8,498,670	$ 8,742,840	$ 15,259,383
Revenues				
Water Sales	18,984,415	25,127,330	26,730,000	35,833,358
Sewer Sales	10,823,414	19,441,124	16,550,000	23,098,548
Laboratory	144,067	168,500	143,000	176,000
Service Charges & Penalties	609,091	625,000	700,000	700,000
Charges for Services	217,140	265,000	250,000	250,000
Interest Income	169,716	110,000	180,000	180,000
Intergovernmental	410,336	417,870	417,870	1,416,085
Miscellaneous Revenue	142,513	347,600	425,100	55,000
Debt Proceeds	-	343,200	343,200	-
Total Revenues	31,500,691	46,845,624	45,739,170	61,708,991
Transfers In	1,599,042	474,000	474,000	3,641,000
Total Revenues and Transfers In	33,099,734	47,319,624	46,213,170	65,349,991
Total Funds Available	40,324,541	55,818,294	54,956,010	80,609,374
Expenditures				
Personnel	8,314,046	10,357,350	10,194,323	11,539,230
Supplies	2,152,389	3,821,124	3,079,765	6,808,921
Repair & Maintenance	4,562,911	5,214,628	4,693,121	4,748,471
Utilities	2,438,409	2,827,530	2,966,650	3,371,960
Information Technology	376,520	456,690	457,730	529,540
Debt Service	7,360,891	10,786,399	10,215,541	28,149,364
Services & Charges	1,721,117	2,667,225	1,946,099	2,977,004
Vehicle Usage	700,843	714,580	852,088	808,300
Fleet Services & Charges	187,800	142,547	142,547	590,644
Capital Expenses	310,316	685,974	414,195	115,000
Total Expenditures	28,125,242	37,674,046	34,962,059	59,638,435
Transfers Out	3,456,458	4,626,074	4,734,569	5,523,358
Total Expenditures and Transfers Out	31,581,700	42,300,120	39,696,628	65,161,793
Excess Revenues over Expenditures	1,518,033	5,019,504	6,516,542	188,198
Ending Reserve	$ 8,742,840	$ 13,518,174	$ 15,259,383	$ 15,447,581

City of Sherman
SOLID WASTE FUND
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 1,949,504	$ 1,802,171	$ 1,683,613	$ 2,276,034
Revenues				
Solid Waste Service	8,852,830	10,002,000	10,160,000	10,417,000
Service Charges & Penalties	118,764	125,000	150,000	150,000
Interest Income	80,250	63,000	70,000	70,000
Miscellaneous Revenue	938,192	875,000	1,230,000	1,170,000
Total Revenues	9,990,035	11,065,000	11,610,000	11,807,000
Total Funds Available	11,939,539	12,867,171	13,293,613	14,083,034
Expenditures				
Personnel	2,406,498	2,626,950	2,670,565	2,933,170
Supplies	508,753	336,243	430,709	459,406
Repair & Maintenance	74,187	115,042	103,262	97,507
Utilities	66,438	56,710	51,710	56,400
Information Technology	105,357	122,960	123,240	153,280
Services & Charges	3,437,017	3,504,725	3,627,787	3,698,016
Vehicle Usage	1,876,941	1,889,700	1,829,890	1,879,670
Capital Expenses	101,186	117,475	106,200	-
Fleet Services & Charges	47,000	40,000	40,000	25,000
Transfers Out	1,632,549	2,047,147	2,034,215	2,611,661
Total Expenditures	10,255,926	10,856,952	11,017,578	11,914,110
Excess Revenues over Expenditures	(265,892)	208,048	592,422	(107,110)
Ending Fund Balance	$ 1,683,613	$ 2,010,219	$ 2,276,034	$ 2,168,925

City of Sherman
GENERAL IMPROVEMENT FUND - City Funds
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ -	$ 53,403	$ 1,451,632	$ 1,154,362
Revenues				
Transfers In	2,431,809	-	-	-
Intergovernmental	-	-	-	-
Grant Revenue	-	-	-	-
Interest Income	34,931	10,000	95,000	-
Miscellaneous Revenue	40,744	400,000	-	-
Debt Proceeds	468,426	3,427,300	3,427,300	2,203,698
Total Revenues	2,975,910	3,837,300	3,522,300	2,203,698
Total Funds Available	2,975,910	3,890,703	4,973,932	3,358,060
Expenditures				
Capital Expenses	1,524,278	3,775,778	3,774,522	2,369,398
Services & Charges		50,000	45,048	-
Transfers Out	-	-	-	-
Total Expenditures	1,524,278	3,825,778	3,819,570	2,369,398
Excess Revenues over Expenditures	1,451,632	11,522	(297,270)	(165,700)
Ending Fund Balance	$ 1,451,632	$ 64,925	$ 1,154,362	$ 988,662

City of Sherman
GENERAL IMPROVEMENT FUND - Bond Funds
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 85,892,906	$ 108,767,413	$ 58,186,077	$ 58,185,631
Revenues				
Transfers In	2,900,000	1,000,000	1,000,000	3,000,000
Intergovernmental	-	-	900,000	-
Grant Revenue	-	-	-	-
Interest Income	3,983,966	3,500,000	3,000,000	3,000,000
Miscellaneous Revenue	-	-	-	-
Debt Proceeds	-	26,000,000	45,403,786	14,910,311
Total Revenues	6,883,966	30,500,000	50,303,786	20,910,311
Total Funds Available	92,776,872	139,267,413	108,489,863	79,095,942
Expenditures				
Capital Expenses	33,108,470	58,608,831	50,000,000	17,760,311
Services & Charges	-	150,000	304,232	150,000
Transfers Out	1,482,325	-	-	-
Total Expenditures	34,590,795	58,758,831	50,304,232	17,910,311
Excess Revenues over Expenditures	(27,706,829)	(28,258,831)	(446)	3,000,000
Ending Fund Balance	$ 58,186,077	$ 80,508,582	$ 58,185,631	$ 61,185,631

City of Sherman
UTILITY IMPROVEMENT FUND - City Funds
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 3,096,555	$ 4,856,112	$ 2,922,926	$ 767,176
Revenues				
Transfers In	-	263,200	343,200	-
Intergovernmental	240	-	-	-
Grant Revenue	60,950	-	1,957,653	-
Interest Income	186,731	75,000	275,000	200,000
Miscellaneous Revenue	-	-	-	-
Debt Proceeds	-	-	-	-
Total Revenues	247,921	338,200	2,575,853	200,000
Total Funds Available	3,344,476	5,194,312	5,498,779	967,176
Expenditures				
Services & Charges	156	-	-	-
Capital Expenses	360,443	4,731,603	4,731,603	375,000
Transfers Out	60,950	-	-	-
Total Expenditures	421,549	4,731,603	4,731,603	375,000
Excess Revenues over Expenditures	(173,629)	(4,393,403)	(2,155,750)	(175,000)
Ending Fund Balance	$ 2,922,926	$ 462,709	$ 767,176	$ 592,176

City of Sherman
UTILITY IMPROVEMENT FUND - GTUA Funds
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ -	$ -	$ (45,552)	$ (0)
Revenues				
Transfers In	-	-	-	-
Intergovernmental	55,659	25,000	95,552	50,000
Grant Revenue	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Debt Proceeds	-	-	-	-
Total Revenues	55,659	25,000	95,552	50,000
Total Funds Available	55,659	25,000	50,000	50,000
Expenditures				
Capital Expenses	101,211	25,000	50,000	50,000
Transfers Out	-	-	-	-
Total Expenditures	101,211	25,000	50,000	50,000
Excess Revenues over Expenditures	(45,552)	-	45,552	-
Ending Fund Balance	$ (45,552)	$ -	$ (0)	$ (0)

City of Sherman
UTILITY IMPROVEMENT FUND - City Funds

	Actual 2023-2024	Total Budget as of 9/30/25	Project-to-date as of 7/16/2025	Budget 2025-2026
Projects				
(1) High Country Estates Water	-	120,000	117,991	75,000
(1) Brine Line Phase II Engineering (City Funds)	8,579	126,000	110,658	-
(2) Ida Road ground storage tank repair	60,950	1,181,000	1,181,000	-
(1) South Sewer Ext East of Hwy 75	25,436	50,000	25,596	
(2) WTP Backup Generator Construction	-	1,500,000	1,471,709	-
(1) Downtown Owners Utility Imp	7,962	500,000	7,962	-
(1) Water and Wastewater oversizing and Repairs	-	250,000	356,959	300,000
(1) Groundwater Analysis	98,408	515,000	326,074	-
(1) Water and Wastewater oversizing and Repairs	57,090	359,242	359,242	-
(1) Add 8" lines across US75 to stabilize tank levels	-	73,500	-	-
(1) Remove Build-up in WTP sludge ponds	80,135	400,000	155,057	-
(1) Abandon Preston Club WWTP & lift stations	-	1,000	738	
(1) Abandon S. Crockett lift station for gravity sewer	8,700	150,000	15,000	-
(1) WWTP Temporary building for new staff	-	152,972	152,972	
(3) GW PLC Upgrades (4)	-	20,000	-	
(3) GW Pump Station & Remote well security (4)	-	80,000	-	
(3) GW Pump Station Chlorine Analyzer (4)	-	34,000	-	
(3) GW Pump Station HSP VFD (2)	-	30,000	-	
(3) Power Monitors for GW HSP & Wells (8)	-	68,000	-	
(3) Pump Station Chlorine Detector (4)	-	31,200	26,150	
(1) WWTP Road Replacement	-	45,000	27,500	
(1) Waterline from 6" to 12" across Hwy 289	-	82,700	-	
Total	$ 347,260	$ 5,769,614	$ 4,334,608	$ 375,000

Funding Sources		
(1) Utility Fund Transfer/Reserves	$ 2,825,414	$ 375,000
(2) Grant-funded	2,681,000	-
(3) Tax Notes	263,200	-
	$ 5,769,614	$ 375,000

City of Sherman
UTILITY IMPROVEMENT FUND - GTUA Funds

	Project Budget	Project to Date 7/16/2025	Budget 2025-2026
Water Projects			
Bel Air Phase Legacy Waterline	3,497,944	2,930,803	-
Shepherd Utilities	726,187	716,750	-
Lake Texoma Pump Station 25MGD #1	37,427,645	9,147,779	-
Shepherd EST	13,727,910	444,687	-
Rex Cruz EST Rehab	575,000	15,797	-
Lake Texoma Pump Station Electrical Upgrade	8,018,460	150,778	-
5 MGD WTP North Exp (UF/RO)	13,177,004	13,177,004	-
36" Water Line west to WTP	95,375,223	77,644,996	-
Engineering Management	16,635,638	9,908,390	-
Lead & Copper Rule Revision	1,420,652	966,965	-
Lake Texoma Backup Generator Eng & Switchgear	2,820,000	-	2,600,000
Hickory Hill Utility Improvements	2,833,170	1,680,152	-
Rehab WTP EDR	18,888,239	14,238,333	-
Miscellaneous Waterline Improvements	2,050,000	213,904	-
Stephens Ground Storage Tank Rehab	2,583,546	637,102	-
Shepherd Drive W main replacement	400,000	-	700,000
Groundwater Deep Well Pump/Motor	400,000	-	-
Luella 4T Submersible pump	400,000	-	-
Sherman St Utilities replacements	320,000	-	-
Dripping Springs Rd waterline replacement	250,000	-	-
WTP Facility Upgrades (HVAC, remodel, doors etc.)	320,000	-	-
Chemical Room Control Panel	250,000	-	-
Lake Texoma Backup Generator	2,820,000	-	-
Increase 6" Water line across SH 289 to 12" PVC	-	-	1,900,000
WTP Backwash Tank Rehab	-	-	2,350,000
USACE Water Storage	-	-	10,106,467
Annual W/WW Line Replacements	-	-	2,000,000
Taylor Street Water Line	-	-	440,000
NTMWD Second Water Line from Lake Texoma (84")	5,015,000	-	14,000,000
Total Water Projects	229,931,618	131,873,437	34,096,467
Sewer Projects			
WWTP Equalization basin	912,234	910,708	-
Texoma Pkwy sewer overflow relief	230,000	177,870	-
Primary Clarifier #1 & Transfer Station Rehab	2,030,587	-	-
Laboratory Expansion	2,975,149	1,034,987	-
Southside Industrial Sewer Replacement	7,417,009	5,941,905	-
Post Oak Creek Sanitary Sewer Improvements	5,760,494	3,675,597	-
Downtown Sewer Improvements	3,059,369	2,123,739	2,000,000
WWTP Electrical System Switchgear, ATS, Generator	6,533,251	754,803	-
Heritage Ranch Sewer	900,000	48	-
WWTP Exp Feasibility Study	2,000,000	-	-
Digester and Blower Building	500,000	104,983	7,300,000
WWTP MBR Phase I Industrial Expansion	325,661,275	290,805,714	-
Crossroads Sewer	1,468,496	68,090	-
Westside Sewer Replacement	689,926	689,926	-
Hwy 82 and N. Loy Lake Sewer	3,467,000	171,679	-
North WWTP Upgrades	4,276,454	192,353	8,000,000
WWTP MBR Phase 2 Industrial Expansion	10,897,401	530,263	-

City of Sherman
UTILITY IMPROVEMENT FUND - GTUA Funds

	Project Budget	Project to Date 7/16/2025	Budget 2025-2026
New 18" WW Line along Choctaw Creek	30,000	-	-
Clarifier #3 Rehab and Grit Building	311,970	-	-
Post Oak Interceptor Phase I	931,824	613,132	-
Blalock Park Interceptor	3,194,312	86,922	-
Red River Boundary Commission	2,150,000	-	
Abandon Old 18" & 24" WW line from MBR to north	-	-	1,750,000
Re-route 24" WW line from MBR to north	-	-	5,860,000
Sludge Thickener at South WWTP (MBR)	5,100,000	-	
Progress Park Sewer Line (by GW)	6,156,610	488,094	
Total Sewer Projects	396,653,359	308,370,813	24,910,000
Total	$ 626,584,977	$ 440,244,250	$ 59,006,467

City of Sherman
STREET REVOLVING FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 515,277	$ 548,487	$ 575,487
Revenues			
Sales & Service	-	-	-
Interest Income	33,210	27,000	25,000
Total Revenues	33,210	27,000	25,000
Total Funds Available	548,487	575,487	600,487
Expenditures			
Capital Expenses	-	-	250,000
Total Expenditures	-	-	250,000
Excess Revenues over Expenditures	33,210	27,000	(225,000)
Ending Fund Balance	$ 548,487	$ 575,487	$ 350,487

City of Sherman
TIRZ #2 CONSTRUCTION FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 474,092	$ 52,303	$ (6,972)
Revenues			
Property Tax	388,720	447,825	479,347
Rentals	5,857	1,000	-
Interest Income	20,544	2,900	2,400
Total Revenues	415,121	451,725	481,747
Total Funds Available	889,213	504,028	474,775
Expenditures:			
Services & Charges	353,363	63,000	-
Capital Expenses	283,548	248,000	250,000
Transfers Out	200,000	200,000	200,000
Total Expenditures	836,911	511,000	450,000
Excess Revenues over Expenditures	(421,789)	(59,275)	31,747
Ending Fund Balance	$ 52,303	$ (6,972)	$ 24,775

City of Sherman
TIRZ #3 CONSTRUCTION FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 250,228	$ 123,070	$ -
Revenues			
Property Tax	265,144	-	-
Interest Income	7,698	1,359	-
Total Revenues	272,842	1,359	-
Total Funds Available	523,070	124,429	-
Expenditures			
Capital Expenses	400,000	-	-
Transfers Out	-	124,429	-
Total Expenditures	400,000	124,429	-
Excess Revenues over Expenditures	(127,158)	(123,070)	-
Ending Fund Balance	$ 123,070	$ -	$ -

City of Sherman
REGIONAL DETENTION FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 54,472	$ 55,891	$ 57,391
Revenues			
Sales & Service	-	-	25,000
Interest Income	1,419	1,500	800
Total Revenues	1,419	1,500	25,800
Total Funds Available	55,891	57,391	83,191
Expenditures			
Capital Expenses	-	-	75,000
Transfers Out	-	-	-
Total Expenditures	-	-	75,000
Excess Revenues over Expenditures	1,419	1,500	(49,200)
Ending Fund Balance	$ 55,891	$ 57,391	$ 8,191

City of Sherman
TIRZ #5 CONSTRUCTION FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ (67,399)	$ (200,516)	$ (304,814)
Revenues			
Property Tax	81,894	103,045	107,958
Intergovernmental	73,989	83,157	78,676
Interest Income	-	-	-
Debt Proceeds	-	-	-
Total Revenues	155,883	186,202	186,634
Total Funds Available	88,484	(14,314)	(118,180)
Expenditures			
Capital Expenses	-	1,500	-
Transfers Out	289,000	289,000	288,196
Total Expenditures	289,000	290,500	288,196
Excess Revenues over Expenditures	(133,117)	(104,298)	(101,562)
Ending Fund Balance	$ (200,516)	$ (304,814)	$ (406,376)

City of Sherman
TIRZ #6 CONSTRUCTION FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 742,938	$ 599,316	$ 464,483
Revenues			
Property Tax	33,934	42,103	44,157
Intergovernmental	30,767	34,064	36,452
Interest Income	17,677	15,000	12,000
Total Revenues	82,378	91,167	92,609
Total Funds Available	825,316	690,483	557,092
Expenditures			
Capital Expenses	-	-	-
Transfers Out	226,000	226,000	225,384
Total Expenditures	226,000	226,000	225,384
Excess Revenues over Expenditures	(143,622)	(134,833)	(132,775)
Ending Fund Balance	$ 599,316	$ 464,483	$ 331,708

City of Sherman
TIRZ #7 CONSTRUCTION FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ (286,750)	$ (563,967)	$ (441,602)
Revenues			
Property Tax	82,465	165,579	249,335
Intergovernmental	73,385	134,786	164,180
Interest Income	-	-	-
Transfers In	-	-	-
Total Revenues	155,850	300,365	413,515
Total Funds Available	(130,900)	(263,602)	(28,087)
Expenditures			
Capital Expenses	255,067	-	-
Transfers Out	178,000	178,000	177,351
Total Expenditures	433,067	178,000	177,351
Excess Revenues over Expenditures	(277,217)	122,365	236,164
Ending Fund Balance	$ (563,967)	$ (441,602)	$ (205,438)

City of Sherman
TIRZ #8 CONSTRUCTION FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ -	$ -	$ 7,630
Revenues			
Property Tax	-	4,218	51,994
Intergovernmental	-	3,412	33,359
Interest Income	-	-	-
Transfers In	-	-	-
Total Revenues	-	7,630	85,353
Total Funds Available	-	7,630	92,983
Expenditures			
Capital Expenses	-	-	-
Transfers Out	-	-	-
Total Expenditures	-	-	-
Excess Revenues over Expenditures	-	7,630	85,353
Ending Fund Balance	$ -	$ 7,630	$ 92,983

City of Sherman
TIRZ #9 CONSTRUCTION FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ -	$ -	$ -
Revenues			
Property Tax	-	-	26,111
Intergovernmental	-	-	47
Interest Income	-	-	-
Transfers In	-	-	-
Total Revenues	-	-	26,158
Total Funds Available	-	-	26,158
Expenditures			
Capital Expenses	-	-	-
Transfers Out	-	-	-
Total Expenditures	-	-	-
Excess Revenues over Expenditures	-	-	26,158
Ending Fund Balance	$ -	$ -	$ 26,158

City of Sherman
ROADWAY IMPACT FEES ZONE #1
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 71,864	$ 325,342	$ 36,342
Revenues			
Interest Income	10,368	11,000	7,000
Sales & Service	243,110	100,000	100,000
Total Revenues	253,478	111,000	107,000
Total Funds Available	325,342	436,342	143,342
Expenditures			
Capital Expenses	-	-	-
Transfers Out	-	400,000	-
Total Expenditures	-	400,000	-
Excess Revenues over Expenditures	253,478	(289,000)	107,000
Ending Fund Balance	$ 325,342	$ 36,342	$ 143,342

City of Sherman
ROADWAY IMPACT FEES ZONE #2
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 851,285	$ 558,821	$ 863,821
Revenues			
Interest Income	35,080	30,000	28,000
Sales & Service	572,456	575,000	375,000
Total Revenues	607,536	605,000	403,000
Total Funds Available	1,458,821	1,163,821	1,266,821
Expenditures			
Capital Expenses	-	-	-
Transfers Out	900,000	300,000	1,200,000
Total Expenditures	900,000	300,000	1,200,000
Excess Revenues over Expenditures	(292,464)	305,000	(797,000)
Ending Fund Balance	$ 558,821	$ 863,821	$ 66,821

City of Sherman
ROADWAY IMPACT FEES ZONE #3
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 51,080	$ 250,203	$ 266,203
Revenues			
Interest Income	2,944	6,000	1,000
Sales & Service	196,179	10,000	10,000
Total Revenues	199,123	16,000	11,000
Total Funds Available	250,203	266,203	277,203
Expenditures			
Capital Expenses	-	-	-
Transfers Out	-	-	-
Total Expenditures	-	-	-
Excess Revenues over Expenditures	199,123	16,000	11,000
Ending Fund Balance	$ 250,203	$ 266,203	$ 277,203

City of Sherman
ROADWAY IMPACT FEES ZONE #4
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 2,768,202	$ 1,151,234	$ 1,369,234
Revenues			
Interest Income	110,843	38,000	40,000
Sales & Service	272,189	480,000	400,000
Total Revenues	383,032	518,000	440,000
Total Funds Available	3,151,234	1,669,234	1,809,234
Expenditures			
Capital Expenses	-	-	-
Transfers Out	2,000,000	300,000	1,800,000
Total Expenditures	2,000,000	300,000	1,800,000
Excess Revenues over Expenditures	(1,616,968)	218,000	(1,360,000)
Ending Fund Balance	$ 1,151,234	$ 1,369,234	$ 9,234

City of Sherman
WATER IMPACT FEES
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 1,903,601	$ 3,654,601	$ 5,829,601
Revenues			
Interest Income	143,910	175,000	160,000
Sales & Service	2,407,090	2,000,000	2,000,000
Total Revenues	2,551,000	2,175,000	2,160,000
Total Funds Available	4,454,601	5,829,601	7,989,601
Expenditures			
Capital Expenses	-	-	-
Transfers Out	800,000	-	3,250,000
Total Expenditures	800,000	-	3,250,000
Excess Revenues over Expenditures	1,751,000	2,175,000	(1,090,000)
Ending Fund Balance	$ 3,654,601	$ 5,829,601	$ 4,739,601

City of Sherman
SEWER IMPACT FEES
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 315,956	$ 1,297,096	$ 2,167,096
Revenues			
Interest Income	30,470	70,000	65,000
Sales & Service	1,250,670	800,000	800,000
Total Revenues	1,281,140	870,000	865,000
Total Funds Available	1,597,096	2,167,096	3,032,096
Expenditures			
Capital Expenses	-	-	-
Transfers Out	300,000	-	-
Total Expenditures	300,000	-	-
Excess Revenues over Expenditures	981,140	870,000	865,000
Ending Fund Balance	$ 1,297,096	$ 2,167,096	$ 3,032,096

City of Sherman
STORMWATER FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ (230,909)	$ 109,539	$ (22,295)
Revenues			
Sales & Service	876,480	920,000	930,000
Fines & Penalties	0	-	-
Interest Income	55	500	1,000
Total Revenues	876,534	920,500	931,000
Total Funds Available	645,625	1,030,039	908,705
Expenditures			
Personnel	72,656	224,121	233,440
Supplies	7,564	5,530	5,429
Repair & Maintenance	10,267	66,238	69,545
Utilities	654	900	1,230
Information Technology	5,181	5,040	8,580
Services & Charges	59,437	24,172	24,966
Capital Expenses	4,400	410,000	225,000
Vehicle Usage	47,928	47,333	52,340
Transfers Out	273,000	269,000	272,275
Fleet Services & Charges	55,000	-	-
Total Expenditures	536,087	1,052,334	892,805
Excess Revenues over Expenditures	340,448	(131,834)	38,195
Ending Fund Balance	$ 109,539	$ (22,295)	$ 15,900

City of Sherman
BEL AIR PUBLIC IMPROVEMENT DISTRICT
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 211,154	$ 6,939	$ 299,939
Revenues			
Sales & Service	295,680	828,000	988,000
Interest Income	6,630	15,000	17,000
Total Revenues	302,311	843,000	1,005,000
Total Funds Available	513,465	849,939	1,304,939
Expenditures			
Services & Charges	506,526	550,000	1,250,000
Total Expenditures	506,526	550,000	1,250,000
Excess Revenues over Expenditures	(204,215)	293,000	(245,000)
Ending Fund Balance	$ 6,939	$ 299,939	$ 54,939

City of Sherman
EMERGENCY 9-1-1 FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 476,062	$ 1,057,992	$ 700,952
Revenues			
Sales & Service	342,269	325,000	330,000
Grant Revenue	636,895	78,200	51,000
Interest Income	32,821	40,000	35,000
Total Revenues	1,011,985	443,200	416,000
Total Funds Available	1,488,047	1,501,192	1,116,952
Expenditures			
Personnel	108,370	594,590	600,520
Supplies	-	-	-
Repair & Maintenance	-	-	-
Services & Charges	107,347	143,743	188,687
Capital Expenses	214,338	61,906	268,745
Total Expenditures	430,055	800,239	1,057,952
Excess Revenues over Expenditures	581,930	(357,039)	(641,952)
Ending Fund Balance	$ 1,057,992	$ 700,952	$ 59,000

City of Sherman
COURT SECURITY & TECHNOLOGY FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 150,757	$ 156,908	$ 130,686
Revenues			
Fines & Penalties	56,906	67,550	70,500
Interest Income	4,497	4,600	3,500
Total Revenues	61,403	72,150	74,000
Total Funds Available	212,160	229,058	204,686
Expenditures			
Supplies	7,236	55,000	20,500
Repair & Maintenance	1,064	372	-
Services & Charges	1,951	8,000	12,000
Capital Expenses	-	-	-
Transfers Out	45,000	35,000	15,000
Total Expenditures	55,252	98,372	47,500
Excess Revenues over Expenditures	6,151	(26,222)	26,500
Ending Fund Balance	$ 156,908	$ 130,686	$ 157,186

City of Sherman
PARKS PRIDE FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 19,505	$ 34,593	$ 159,393
Revenues			
Miscellaneous Revenue	28,369	135,000	13,200
Interest Income	719	1,800	500
Total Revenues	29,088	136,800	13,700
Total Funds Available	48,593	171,393	173,093
Expenditures			
Services & Charges	-	12,000	50,000
Capital Expenses	-	-	120,000
Transfers Out	14,000	-	-
Total Expenditures	14,000	12,000	170,000
Excess Revenues over Expenditures	15,088	124,800	(156,300)
Ending Fund Balance	$ 34,593	$ 159,393	$ 3,093

City of Sherman
POLICE PRIDE FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 21,665	$ 41,138	$ 27,818
Revenues			
Miscellaneous Revenue	36,980	10,390	10,390
Grant Revenue	7,500	-	-
Interest Income	742	1,290	720
Total Revenues	45,222	11,680	11,110
Total Funds Available	66,887	52,818	38,928
Expenditures			
Supplies	-	-	-
Services & Charges	6,248	5,000	5,000
Capital Expenses	19,500	20,000	20,000
Total Expenditures	25,748	25,000	25,000
Excess Revenues over Expenditures	19,473	(13,320)	(13,890)
Ending Fund Balance	$ 41,138	$ 27,818	$ 13,928

City of Sherman
DONATIONS FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 3,886	$ 17,090	$ 20,790
Revenues			
Miscellaneous Revenue	12,962	13,200	13,000
Interest Income	241	500	350
Total Revenues	13,204	13,700	13,350
Total Funds Available	17,090	30,790	34,140
Expenditures			
Supplies	-	10,000	30,000
Excess Revenues over Expenditures	13,204	3,700	(16,650)
Ending Fund Balance	$ 17,090	$ 20,790	$ 4,140

City of Sherman
HOTEL/MOTEL TAX FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ (28,222)	$ (408,163)	$ 89,372
Revenues			
Hotel-Motel Taxes	839,974	875,000	800,000
Fines & Penalties	-	-	-
Miscellaneous Revenue	6,902	2,700	1,500
Interest Income	141	-	-
Sales & Service	47,465	60,000	60,000
Rentals	19,101	26,500	26,500
Transfers In	-	700,000	150,000
Total Revenues	913,583	1,664,200	1,038,000
Total Funds Available	885,361	1,256,037	1,127,372
Expenditures			
Personnel	231,254	217,124	234,480
Supplies	44,572	15,750	27,750
Repair & Maintenance	4,486	1,100	7,000
Utilities	28,459	29,910	32,780
Information Technology	5,181	21,320	23,590
Services & Charges	854,468	734,800	734,875
Vehicle Usage	10,570	43,661	25,520
Capital Expenses	5,534	-	-
Transfers Out	109,000	103,000	108,152
Total Expenditures	1,293,524	1,166,665	1,194,147
Excess Revenues over Expenditures	(379,941)	497,535	(156,147)
Ending Fund Balance	$ (408,163)	$ 89,372	$ (66,775)

City of Sherman
DRUG ENFORCEMENT FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 90,176	$ 145,771	$ 183,171
Revenues			
Fines & Penalties	65,845	50,000	65,000
Interest Income	1,211	1,900	1,900
Miscellaneous Revenue	-	-	-
Total Revenues	67,056	51,900	66,900
Total Funds Available	157,232	197,671	250,071
Expenditures			
Supplies	2,010	8,000	50,400
Repair & Maintenance	-	-	12,000
Services & Charges	2,377	6,500	6,500
Capital Expenses	7,075	-	-
Total Expenditures	11,461	14,500	68,900
Excess Revenues over Expenditures	55,595	37,400	(2,000)
Ending Fund Balance	$ 145,771	$ 183,171	$ 181,171

City of Sherman
MUNICIPAL AIRPORT FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 193,101	$ 218,322	$ 112,191
Revenues			
Interest Income	14,149	6,400	5,500
Rentals	95,938	98,000	98,000
Sales & Service	363,944	329,000	329,000
Grant Revenue	10,680	40,000	100,000
Miscellaneous Revenue	0	-	-
Total Revenues	484,710	473,400	532,500
Total Funds Available	677,811	691,722	- 644,691
Expenditures			
Supplies	308,347	396,566	396,590
Repair & Maintenance	6,125	8,995	8,995
Services & Charges	121,640	105,851	108,274
Utilities	10,865	12,280	12,890
Vehicle Usage	7,789	5,839	7,000
Capital Expenses	4,723	50,000	100,000
Total Expenditures	459,489	579,531	633,749
Excess Revenues over Expenditures	25,221	(106,131)	(101,249)
Ending Fund Balance	$ 218,322	$ 112,191	$ 10,942

City of Sherman
EMPLOYEE INSURANCE FUND
2025-2026 Annual Budget

	Actual 2023-2024	Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 1,364,722	$ 399,672	$ 1,408,446	$ 1,031,840
Revenues				
Employer Contributions	5,564,775	5,208,730	5,385,680	5,384,810
Employee Contributions	1,157,763	1,105,000	1,053,742	1,150,000
Retiree Contributions	111,776	110,000	100,000	100,000
COBRA Contributions	831	1,000	1,110	1,000
Miscellaneous Revenue	58,730	-	450,000	350,000
Interest Income	89,297	30,000	75,000	60,000
Transfers In	-	-	-	-
Total Revenues	6,983,172	6,454,730	7,065,532	7,045,810
Total Funds Available	8,347,894	6,854,402	8,473,978	8,077,650
Expenditures				
Health Insurance Claims	5,697,861	5,040,000	6,219,618	6,696,000
Administration & Premiums	1,185,389	1,378,000	1,162,520	1,256,000
Life Insurance Premiums	56,198	56,000	60,000	69,000
Transfers Out	-	-	-	-
Total Expenditures	6,939,448	6,474,000	7,442,138	8,021,000
Excess Revenues over Expenditures	43,724	(19,270)	(376,606)	(975,190)
Ending Fund Balance	$ 1,408,446	$ 380,402	$ 1,031,840	$ 56,650

City of Sherman
INFORMATION TECHNOLOGY FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 111,904	$ 96,896	$ 96,896
Revenues			
Technology Services:			
General Fund	1,345,455	1,576,020	1,919,595
Stormwater	5,181	5,040	8,580
Tourism	5,181	21,320	23,590
Equipment Services Fund	56,996	72,860	83,610
Utility Fund	376,520	457,730	529,540
Solid Waste Fund	105,357	123,240	153,280
Interest Income	4,131	-	-
Miscellaneous Revenue	702	-	-
Total Revenues	1,899,524	2,256,210	2,718,195
Total Funds Available	2,011,428	2,353,106	2,815,091
Expenditures			
Personnel	1,077,290	1,215,986	1,254,920
Supplies	67,668	106,756	153,444
Repair & Maintenance	235,645	193,044	424,258
Utilities	55,836	62,070	100,010
Services & Charges	382,659	572,812	610,819
Capital Expenses	50,395	61,500	74,000
Transfers Out	45,040	44,042	43,844
Total Expenditures	1,914,531	2,256,211	2,661,295
Excess Revenues over Expenditures	(15,007)	(1)	56,900
Ending Fund Balance	$ 96,896	$ 96,896	$ 153,796

City of Sherman
EQUIPMENT SERVICES FUND
2025-2026 Annual Budget

	Actual 2023-2024	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ (61,219)	$ (151,566)	$ 93,480
Revenues			
Equipment Service Revenue	5,385,885	5,888,505	5,946,450
Interest Income	-	-	-
Miscellaneous Revenue	8,225	-	-
Total Revenues	5,394,110	5,888,505	5,946,450
Total Funds Available	5,332,891	5,736,939	6,039,930
Expenditures			
Personnel	1,255,660	1,347,094	1,474,680
Supplies	1,316,109	1,352,624	1,388,194
Repair & Maintenance	2,292,519	2,106,921	2,118,382
Utilities	24,284	26,560	33,870
Information Technology	56,996	72,860	83,610
Services & Charges	412,750	513,567	579,999
Capital Expenses	18,175	223,832	42,500
Fleet Services & Charges	75,000	-	178,562
Vehicle Usage	32,963	-	-
Total Expenditures	5,484,457	5,643,459	5,899,797
Excess Revenues over Expenditures	(90,347)	245,046	46,653
Ending Fund Balance	$ (151,566)	$ 93,480	$ 140,133

City of Sherman
FLEET REPLACEMENT FUND
2025-2026 Annual Budget

	Actual 2023-2024	Adjusted Budget 2024-2025	Projected 2024-2025	Budget 2025-2026
Beginning Fund Balance	$ 3,244,154	$ 3,195,099	$ 3,215,090	$ 521,221
Revenues				
Fleet Replacement Revenue	2,266,607	1,996,279	1,996,279	1,333,405
Property Tax	1,921,965	2,528,000	2,543,000	3,032,000
Interest Income	169,179	90,000	130,000	130,000
Debt Proceeds	3,522,446	3,242,538	3,778,106	2,545,016
Miscellaneous Revenue	-	-	-	-
Total Revenues	7,880,197	7,856,817	8,447,385	7,040,421
Total Funds Available	11,124,351	11,051,916	11,662,475	7,561,642
Expenditures				
Debt Service	2,680,951	2,975,915	2,990,531	3,121,920
Services & Charges	64,859	50,000	45,048	100,000
Capital Expenses	5,163,451	7,548,040	8,105,675	3,452,079
Total Expenditures	7,909,261	10,573,955	11,141,254	6,673,999
Excess Revenues over Expenditures	(29,064)	(2,717,138)	(2,693,869)	366,422
Ending Fund Balance	$ 3,215,090	$ 477,961	$ 521,221	$ 887,643

DETAILS	BUDGET FY25/26 Expense TRANSFER FROM Debit	BUDGET FY25/26 Revenue TRANSFER TO Credit
From fund 700 5% franchise, admin cost		$ 5,126,000.00
From fund 790, dept 243, 244		$ 1,299,000.00
From 790, debt service		$ 1,121,661.00
From fund 700, debt service		$ 397,358.00
From fund 450, truancy clerk		$ 15,000.00
From fund 630, debt service		$ 43,844.00
To fund 105, Risk Contingency	$ -	
To fund 460, concerts	$ 150,000.00	
From fund 251, Moore St		$ 1,200,000.00
From fund 253, Shepherd Rd		$ 1,800,000.00
To fund 300, debt service	$ 288,196.00	
To fund 300, debt service	$ 225,384.00	
To fund 300, debt service	$ 177,351.00	
To fund 222, Moore Street	$ 1,200,000.00	
To fund 222, Shepherd Rd	$ 1,800,000.00	
From fund 420, debt service		$ 272,275.00
From fund 241, debt service		$ 288,196.00
From fund 242, debt service		$ 225,384.00
From fund 243, debt service		$ 177,351.00
From fund 460, debt service		$ 108,152.00
To fund 700, debt service	$ 200,000.00	
To fund 300, debt service	$ 272,275.00	
To fund 100, truancy clerk	$ 15,000.00	
To fund 300, debt service	$ 108,152.00	
From fund 100, concerts		$ 150,000.00
To fund 300, debt service	$ 43,844.00	
To fund 100, debt service	$ 11,279.00	
To fund 100, debt service	$ 348,813.00	
To fund 100, debt service	$ 27,236.00	
To fund 100, debt service	$ 10,030.00	
To fund 100 5% franchise	$ 2,366,000.00	
To fund 100 5% admin cost	$ 2,760,000.00	
From fund 750, impact fees		$ 3,250,000.00
From fund 300, downtown sewer		$ 200,000.00
SW Admin		$ 191,000.00
To fund 700, contractual debt	$ 3,250,000.00	
To fund 100, debt service	$ 602,291.00	
To fund 100, admin	$ 134,000.00	
To fund 100, franchise	$ 214,000.00	
To fund 700, admin	$ 51,000.00	
To fund 100, debt service	$ 519,370.00	
To fund 100, admin	$ 365,000.00	
To fund 100, franchise	$ 586,000.00	
To fund 700, admin	$ 140,000.00	
TOTALS	$ 15,865,221.00	$ 15,865,221.00

City of Sherman
Historical Property Tax Rates

Fiscal Year	Rate per $100
1983	0.5930
1984	0.5930
1985	0.5930
1986	0.5930
1987	0.5930
1988	0.5780
1989	0.5110
1990	0.5230
1991	0.5490
1992	0.5490
1993	0.5760
1994	0.5870
1995	0.5870
1996	0.5800
1997	0.4120
1998	0.4050
1999	0.4000
2000	0.4000
2001	0.4000
2002	0.4000
2003	0.4000
2004	0.4000
2005	0.4000
2006	0.4000
2007	0.4000
2008	0.4000
2009	0.3200
2010	0.3200
2011	0.3200
2012	0.3200
2013	0.3200
2014	0.3480
2015	0.3720
2016	0.3720
2017	0.3943
2018	0.4273
2019	0.4273
2020	0.4890
2021	0.4890
2022	0.4890
2023	0.4699
2024	0.5080
2025	0.5080
2026 est.	0.5080

City of Sherman, Texas

Bonded Debt as of 9/30/25

	(1) $6,970,000 Tax & Waterworks & Sewer System (Limited Pledge) Revenue Certificates of Obligation Series 2016				(2) $7,776,530 General Obligation Refunding Bonds Series 2017			
Fiscal Yr	Coupon	Principal	Interest		Coupon	Principal	Interest	
2026	2.000%	360,000.00	108,812.50	468,812.50	4.00%	795,200.26	113,100.90	908,301.16
2027	2.000%	370,000.00	101,612.50	471,612.50	4.00%	793,151.70	86,333.97	879,485.67
2028	2.250%	375,000.00	94,212.50	469,212.50	4.00%	828,151.70	54,955.83	883,107.53
2029	2.250%	385,000.00	85,775.00	470,775.00	4.00%	436,933.75	22,343.71	459,277.46
2030	2.375%	390,000.00	77,112.50	467,112.50	3.00%	-	1,718.75	1,718.75
2031	2.375%	400,000.00	67,850.00	467,850.00		-	-	-
2032	2.500%	410,000.00	58,350.00	468,350.00		-	-	-
2033	2.500%	420,000.00	48,100.00	468,100.00		-	-	-
2034	2.500%	430,000.00	37,600.00	467,600.00		-	-	-
2035	3.000%	440,000.00	26,850.00	466,850.00		-	-	-
2036	3.000%	455,000.00	13,650.00	468,650.00		-	-	-
2037		-	-	-		-	-	-
2038		-	-	-		-	-	-
2039		-	-	-		-	-	-
2040		-	-	-		-	-	-
2041		-	-	-		-	-	-
2042		-	-	-		-	-	-
2043		-	-	-		-	-	-
2044		-	-	-		-	-	-
2045		-	-	-		-	-	-
2046		-	-	-		-	-	-
2047		-	-	-		-	-	-
2048		-	-	-		-	-	-
2049		-	-	-		-	-	-
2050		-	-	-		-	-	-
2051		-	-	-		-	-	-
2052		-	-	-		-	-	-
2053		-	-	-		-	-	-
2054		-	-	-		-	-	-
2055		-	-	-		-	-	-
		4,435,000.00	719,925.00	5,154,925.00		2,853,437.41	278,453.16	3,131,890.57

(1) These bonds were issued to fund street improvements, library renovation and a new fire station.

(2) These bonds refunded the Series 2006 bonds, and the 2008, 2009 and 2009A Certificates of Obligation.

City of Sherman, Texas

Bonded Debt as of 9/30/25

	(3) $474,557 TIF #1 Refunding Bonds Series 2017				(4) $1,108,913 Auditorium Refunding Bonds Series 2017			
Fiscal Yr	Coupon	Principal	Interest		Coupon	Principal	Interest	
2026	4.00%	67,793.86	6,902.88	74,696.74	4.00%	92,005.88	16,146.22	108,152.10
2027		-	-	-	4.00%	96,848.30	11,616.03	108,464.33
2028		-	-	-	4.00%	96,848.30	7,394.17	104,242.47
2029		-	-	-	4.00%	101,690.71	3,006.29	104,697.00
2030		-	-	-	3.00%	111,375.54	231.25	111,606.79
2031		-	-	-		-	-	-
2032		-	-	-		-	-	-
2033		-	-	-		-	-	-
2034		-	-	-		-	-	-
2035		-	-	-		-	-	-
2036		-	-	-		-	-	-
2037		-	-	-		-	-	-
2038		-	-	-		-	-	-
2039		-	-	-		-	-	-
2040		-	-	-		-	-	-
2041		-	-	-		-	-	-
2042		-	-	-		-	-	-
2043		-	-	-		-	-	-
2044		-	-	-		-	-	-
2045		-	-	-		-	-	-
2046		-	-	-		-	-	-
2047		-	-	-		-	-	-
2048		-	-	-		-	-	-
2049		-	-	-		-	-	-
2050		-	-	-		-	-	-
2051		-	-	-		-	-	-
2052		-	-	-		-	-	-
2053		-	-	-		-	-	-
2054		-	-	-		-	-	-
2055		-	-	-		-	-	-
		67,793.86	6,902.88	74,696.74		498,768.73	38,393.96	537,162.69

(3) These bonds refunded the Series 2006 bonds, and the 2008, 2009 and 2009A Certificates of Obligation.

(4) These bonds refunded the Series 2006 bonds, and the 2008, 2009 and 2009A Certificates of Obligation.

City of Sherman, Texas

Bonded Debt as of 9/30/25

	(5)				(6)			
	$8,760,000				***$3,900,000***			
	Combination Tax & Revenue				***TIRZ #5***			
	Certificates of Obligation Series 2017				***Certificates of Obligation Series 2017***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**		**Coupon**	**Principal**	**Interest**	
2026	5.00%	425,665.38	221,666.45	647,331.83	5.00%	189,508.56	98,687.12	288,195.68
2027	4.00%	447,432.36	200,383.19	647,815.54	4.00%	199,199.34	89,211.69	288,411.03
2028	4.00%	466,780.78	182,485.89	649,266.68	4.00%	207,813.36	81,243.72	289,057.08
2029	3.00%	483,710.66	163,814.66	647,525.32	3.00%	215,350.64	72,931.18	288,281.82
2030	3.00%	498,221.98	149,303.34	647,525.32	3.00%	221,811.15	66,470.67	288,281.82
2031	3.13%	512,733.30	134,356.68	647,089.98	3.13%	228,271.67	59,816.33	288,088.00
2032	3.25%	529,663.17	118,333.77	647,996.94	3.25%	235,808.95	52,682.84	288,491.79
2033	3.38%	546,593.04	101,119.71	647,712.76	3.38%	243,346.22	45,019.05	288,365.27
2034	3.38%	565,941.47	82,672.20	648,613.67	3.38%	251,960.24	36,806.12	288,766.36
2035	3.58%	585,289.90	63,571.67	648,861.57	3.58%	260,574.27	28,302.46	288,876.73
2036	3.50%	604,638.32	43,086.53	647,724.85	3.50%	269,188.29	19,182.36	288,370.65
2037	3.50%	626,405.30	21,924.19	648,329.49	3.50%	278,879.07	9,760.77	288,639.84
2038		-	-	-		-	-	-
2039		-	-	-		-	-	-
2040		-	-	-		-	-	-
2041		-	-	-		-	-	-
2042		-	-	-		-	-	-
2043		-	-	-		-	-	-
2044		-	-	-		-	-	-
2045		-	-	-		-	-	-
2046		-	-	-		-	-	-
2047		-	-	-		-	-	-
2048		-	-	-		-	-	-
2049		-	-	-		-	-	-
2050		-	-	-		-	-	-
2051		-	-	-		-	-	-
2052		-	-	-		-	-	-
2053		-	-	-		-	-	-
2054		-	-	-		-	-	-
2055		-	-	-		-	-	-
		6,293,075.65	1,482,718.28	7,775,793.93		2,801,711.76	660,114.30	3,461,826.06

(5) These certificates were issued to fund new street development and construction and improvements to city facilities.

(6) These certificates were issued to fund infrastructure improvements in Sherman Crossroads (TIRZ #5) development. Debt service is paid from property tax increment generated by the zone.

City of Sherman, Texas
Bonded Debt as of 9/30/25

	(7) $3,050,000 TIRZ #6 Certificates of Obligation Series 2017				(8) $2,400,000 TIRZ #7 Certificates of Obligation Series 2017			
Fiscal Yr	Coupon	Principal	Interest		Coupon	Principal	Interest	
2026	5.00%	148,205.41	77,178.39	225,383.80	5.00%	116,620.65	60,730.54	177,351.19
2027	4.00%	155,784.10	69,768.12	225,552.22	5.00%	122,584.21	54,899.50	177,483.71
2028	4.00%	162,520.71	63,536.75	226,057.46	5.00%	127,885.15	49,996.13	177,881.28
2029	3.00%	168,415.24	57,035.93	225,451.17	3.00%	132,523.47	44,880.73	177,404.20
2030	3.00%	173,467.70	51,983.47	225,451.17	3.00%	136,499.17	40,905.02	177,404.20
2031	3.13%	178,520.15	46,779.44	225,299.59	3.00%	140,474.88	36,810.05	177,284.93
2032	3.25%	184,414.69	41,200.68	225,615.37	3.13%	145,113.20	32,420.21	177,533.41
2033	3.38%	190,309.22	35,207.21	225,516.43	3.25%	149,751.52	27,704.03	177,455.55
2034	3.38%	197,045.83	28,784.27	225,830.10	3.25%	155,052.46	22,649.92	177,702.37
2035	3.58%	203,782.44	22,133.97	225,916.41	3.38%	160,353.40	17,416.90	177,770.29
2036	3.50%	210,519.05	15,001.59	225,520.64	3.38%	165,654.33	11,804.53	177,458.86
2037	3.50%	218,097.74	7,633.42	225,731.16	3.50%	171,617.89	6,006.63	177,624.52
2038		-	-	-		-	-	-
2039		-	-	-		-	-	-
2040		-	-	-		-	-	-
2041		-	-	-		-	-	-
2042		-	-	-		-	-	-
2043		-	-	-		-	-	-
2044		-	-	-		-	-	-
2045		-	-	-		-	-	-
2046		-	-	-		-	-	-
2047		-	-	-		-	-	-
2048		-	-	-		-	-	-
2049		-	-	-		-	-	-
2050		-	-	-		-	-	-
2051		-	-	-		-	-	-
2052		-	-	-		-	-	-
2053		-	-	-		-	-	-
2054		-	-	-		-	-	-
2055		-	-	-		-	-	-
		2,191,082.27	516,243.24	2,707,325.51		1,724,130.31	406,224.19	2,130,354.50

(7) These certificates were issued to fund infrastructure improvements in Sherman Landing on the south side of the Hwy 75 and Hwy 691 intersection (TIRZ #6). Debt

(8) These certificates were issued to fund infrastructure improvements on the south east corner of the Hwy 75 and Hwy 1417 intersection (TIRZ #7). Debt service is

City of Sherman, Texas
Bonded Debt as of 9/30/25

	(9) $3,900,000 Stormwater Certificates of Obligation Series 2017A				(10) $18,980,000 Combination Tax & Revenue Certificates of Obligation Series 2018			
Fiscal Yr	Coupon	Principal	Interest		Coupon	Principal	Interest	
2026	4.00%	185,000.00	87,275.00	272,275.00	5.00%	630,000.00	564,256.26	1,194,256.26
2027	4.00%	190,000.00	79,875.00	269,875.00	5.00%	660,000.00	532,756.26	1,192,756.26
2028	4.00%	200,000.00	72,275.00	272,275.00	5.00%	695,000.00	499,756.26	1,194,756.26
2029	3.00%	205,000.00	64,275.00	269,275.00	3.00%	730,000.00	465,006.26	1,195,006.26
2030	3.00%	210,000.00	58,125.00	268,125.00	3.00%	750,000.00	443,106.26	1,193,106.26
2031	3.00%	220,000.00	51,825.00	271,825.00	3.00%	775,000.00	420,606.26	1,195,606.26
2032	3.00%	225,000.00	45,225.00	270,225.00	3.13%	795,000.00	397,356.26	1,192,356.26
2033	3.00%	230,000.00	38,475.00	268,475.00	3.25%	820,000.00	372,512.50	1,192,512.50
2034	3.13%	240,000.00	31,575.00	271,575.00	3.25%	850,000.00	345,862.50	1,195,862.50
2035	3.13%	245,000.00	24,075.00	269,075.00	3.38%	875,000.00	318,237.50	1,193,237.50
2036	3.13%	255,000.00	16,418.76	271,418.76	3.38%	905,000.00	288,706.26	1,193,706.26
2037	3.25%	260,000.00	8,450.00	268,450.00	3.50%	935,000.00	258,162.50	1,193,162.50
2038		-	-	-	3.50%	970,000.00	225,437.50	1,195,437.50
2039		-	-	-	3.50%	1,005,000.00	191,487.50	1,196,487.50
2040		-	-	-	3.50%	1,040,000.00	156,312.50	1,196,312.50
2041		-	-	-	3.50%	1,075,000.00	119,912.50	1,194,912.50
2042		-	-	-	3.63%	1,115,000.00	82,287.50	1,197,287.50
2043		-	-	-	3.63%	1,155,000.00	41,868.86	1,196,868.86
2044		-	-	-		-	-	-
2045		-	-	-		-	-	-
2046		-	-	-		-	-	-
2047		-	-	-		-	-	-
2048		-	-	-		-	-	-
2049		-	-	-		-	-	-
2050		-	-	-		-	-	-
2051		-	-	-		-	-	-
2052		-	-	-		-	-	-
2053		-	-	-		-	-	-
2054		-	-	-		-	-	-
2055		-	-	-		-	-	-
		2,665,000.00	577,868.76	3,242,868.76		15,780,000.00	5,723,631.44	21,503,631.44

(9) These certificates were issued to fund projects from the City's Stormwater Management Plan. Debt service is paid from the stormwater utility fee added to utility bills.

(10) These certificates were issued to fund new street and park development, and construction and improvements to city facilities.

City of Sherman, Texas

Bonded Debt as of 9/30/25

	(11) $19,130,000 Combination Tax & Revenue Certificates of Obligation Series 2019				(12) $29,025,000 Combination Tax & Revenue Certificates of Obligation Series 2021			
Fiscal Yr	Coupon	Principal	Interest		Coupon	Principal	Interest	
2026	5.00%	585,000.00	579,862.50	1,164,862.50	3.00%	695,000.00	667,468.76	1,362,468.76
2027	5.00%	610,000.00	550,612.50	1,160,612.50	3.00%	730,000.00	632,718.76	1,362,718.76
2028	5.00%	645,000.00	520,112.50	1,165,112.50	5.00%	765,000.00	596,218.76	1,361,218.76
2029	3.00%	675,000.00	487,862.50	1,162,862.50	3.00%	805,000.00	557,968.76	1,362,968.76
2030	4.00%	710,000.00	454,112.50	1,164,112.50	3.00%	845,000.00	517,718.76	1,362,718.76
2031	4.00%	735,000.00	425,712.50	1,160,712.50	2.00%	885,000.00	475,468.76	1,360,468.76
2032	4.00%	765,000.00	396,312.50	1,161,312.50	2.00%	905,000.00	457,768.76	1,362,768.76
2033	4.00%	795,000.00	365,712.50	1,160,712.50	2.00%	925,000.00	439,668.76	1,364,668.76
2034	3.00%	830,000.00	333,912.50	1,163,912.50	2.00%	940,000.00	421,168.76	1,361,168.76
2035	3.00%	855,000.00	309,012.50	1,164,012.50	2.00%	960,000.00	402,368.76	1,362,368.76
2036	3.00%	880,000.00	283,362.50	1,163,362.50	2.00%	980,000.00	383,168.76	1,363,168.76
2037	3.00%	905,000.00	256,962.50	1,161,962.50	2.00%	1,000,000.00	363,568.76	1,363,568.76
2038	3.00%	935,000.00	229,812.50	1,164,812.50	2.00%	1,020,000.00	343,568.76	1,363,568.76
2039	3.13%	960,000.00	201,762.50	1,161,762.50	2.00%	1,040,000.00	323,168.76	1,363,168.76
2040	3.25%	990,000.00	171,762.50	1,161,762.50	2.00%	1,060,000.00	302,368.76	1,362,368.76
2041	3.25%	1,025,000.00	139,587.50	1,164,587.50	2.00%	1,080,000.00	281,168.76	1,361,168.76
2042	3.25%	1,055,000.00	106,275.00	1,161,275.00	2.00%	1,100,000.00	259,568.76	1,359,568.76
2043	3.25%	1,090,000.00	71,987.50	1,161,987.50	2.00%	1,125,000.00	237,568.76	1,362,568.76
2044	3.25%	1,125,000.00	36,562.50	1,161,562.50	2.00%	1,145,000.00	215,068.76	1,360,068.76
2045		-	-	-	2.125%	1,170,000.00	192,168.76	1,362,168.76
2046		-	-	-	2.125%	1,195,000.00	167,306.26	1,362,306.26
2047		-	-	-	2.125%	1,220,000.00	141,912.50	1,361,912.50
2048		-	-	-	2.25%	1,245,000.00	115,987.50	1,360,987.50
2049		-	-	-	2.25%	1,275,000.00	87,975.00	1,362,975.00
2050		-	-	-	2.25%	1,305,000.00	59,287.50	1,364,287.50
2051		-	-	-	2.25%	1,330,000.00	29,925.00	1,359,925.00
2052		-	-	-	2.25%	-	-	-
2053		-	-	-	2.25%	-	-	-
2054		-	-	-		-	-	-
2055		-	-	-		-	-	-
		16,170,000.00	5,921,300.00	22,091,300.00		26,745,000.00	8,672,318.96	35,417,318.96

(11) These certificates were issued to fund new streets and improvements to existing streets.

(12) These certificates were issued to fund new streets, major rebuild of some existing streets and a new police headquarters.

City of Sherman, Texas
Bonded Debt as of 9/30/25

	(13) $1,980,000 Combination Tax & Revenue Tax Notes Series 2021				(14) $2,100,000 Combination Tax & Revenue Limited Tax Notes, Series 2022			
Fiscal Yr	Coupon	Principal	Interest		Coupon	Principal	Interest	
2026	3.00%	350,000.00	14,000.00	364,000.00	5.00%	360,000.00	37,000.00	397,000.00
2027		-	-	-	5.00%	380,000.00	19,000.00	399,000.00
2028		-	-	-		-	-	-
2029		-	-	-		-	-	-
2030		-	-	-		-	-	-
2031		-	-	-		-	-	-
2032		-	-	-		-	-	-
2033		-	-	-		-	-	-
2034		-	-	-		-	-	-
2035		-	-	-		-	-	-
2036		-	-	-		-	-	-
2037		-	-	-		-	-	-
2038		-	-	-		-	-	-
2039		-	-	-		-	-	-
2040		-	-	-		-	-	-
2041		-	-	-		-	-	-
2042		-	-	-		-	-	-
2043		-	-	-		-	-	-
2044		-	-	-		-	-	-
2045		-	-	-		-	-	-
2046		-	-	-		-	-	-
2047		-	-	-		-	-	-
2048		-	-	-		-	-	-
2049		-	-	-		-	-	-
2050		-	-	-		-	-	-
2051		-	-	-		-	-	-
2052		-	-	-		-	-	-
2053		-	-	-		-	-	-
2054		-	-	-		-	-	-
2055		-	-	-		-	-	-
		350,000.00	14,000.00	364,000.00		740,000.00	56,000.00	796,000.00

(13) These certificates were issued to fund fleet and equipment purchases

(14) These certificates were issued to fund fleet and equipment purchases

City of Sherman, Texas

Bonded Debt as of 9/30/25

	(15) $3,095,000 Limited Tax Notes, Series 2023				(16) $73,640,000 Combination Tax & Revenue Certificates of Obligation Series 2023			
Fiscal Yr	Coupon	Principal	Interest		Coupon	Principal	Interest	
2026	5.00%	515,000.00	81,500.00	596,500.00	5.00%	1,215,000.00	3,551,250.00	4,766,250.00
2027	5.00%	545,000.00	55,750.00	600,750.00	5.00%	1,275,000.00	3,490,500.00	4,765,500.00
2028	5.00%	570,000.00	28,500.00	598,500.00	5.00%	1,340,000.00	3,426,750.00	4,766,750.00
2029		-	-	-	5.00%	1,410,000.00	3,359,750.00	4,769,750.00
2030		-	-	-	5.00%	1,480,000.00	3,289,250.00	4,769,250.00
2031		-	-	-	5.00%	1,550,000.00	3,215,250.00	4,765,250.00
2032		-	-	-	5.00%	1,630,000.00	3,137,750.00	4,767,750.00
2033		-	-	-	5.00%	1,710,000.00	3,056,250.00	4,766,250.00
2034		-	-	-	5.00%	1,795,000.00	2,970,750.00	4,765,750.00
2035		-	-	-	5.00%	1,885,000.00	2,881,000.00	4,766,000.00
2036		-	-	-	5.00%	1,980,000.00	2,786,750.00	4,766,750.00
2037		-	-	-	5.00%	2,080,000.00	2,687,750.00	4,767,750.00
2038		-	-	-	5.00%	2,185,000.00	2,583,750.00	4,768,750.00
2039		-	-	-	5.00%	2,295,000.00	2,474,500.00	4,769,500.00
2040		-	-	-	5.00%	2,410,000.00	2,359,750.00	4,769,750.00
2041		-	-	-	5.00%	2,530,000.00	2,239,250.00	4,769,250.00
2042		-	-	-	5.00%	2,655,000.00	2,112,750.00	4,767,750.00
2043		-	-	-	5.00%	2,785,000.00	1,980,000.00	4,765,000.00
2044		-	-	-	5.00%	2,925,000.00	1,840,750.00	4,765,750.00
2045		-	-	-	5.00%	3,075,000.00	1,694,500.00	4,769,500.00
2046		-	-	-	5.00%	3,225,000.00	1,540,750.00	4,765,750.00
2047		-	-	-	5.00%	3,390,000.00	1,379,500.00	4,769,500.00
2048		-	-	-	5.00%	3,560,000.00	1,210,000.00	4,770,000.00
2049		-	-	-	5.00%	3,735,000.00	1,032,000.00	4,767,000.00
2050		-	-	-	5.00%	3,920,000.00	845,250.00	4,765,250.00
2051		-	-	-	5.00%	4,120,000.00	649,250.00	4,769,250.00
2052		-	-	-	5.00%	4,325,000.00	443,250.00	4,768,250.00
2053		-	-	-	5.00%	4,540,000.00	227,000.00	4,767,000.00
2054		-	-	-		-	-	-
2055		-	-	-		-	-	-
		1,630,000.00	165,750.00	1,795,750.00		71,025,000.00	62,465,250.00	133,490,250.00

(15) These certificates were issued to fund fleet and equipment purchases

(16) These certificates were issued to street, park, and facility improvements

City of Sherman, Texas

Bonded Debt as of 9/30/25

	(17)				(18)			
	$3,926,216				***$19,735,000***			
	Limited Tax Notes, Series 2024				***Combination Tax & Revenue Certificates of Obligation Series 2024***			
Fiscal Yr	**Coupon**	**Principal**	**Interest**		**Coupon**	**Principal**	**Interest**	
2026	5.00%	590,000.00	127,250.00	717,250.00	4.50%	325,000.00	802,187.50	1,127,187.50
2027	5.00%	620,000.00	97,750.00	717,750.00	4.50%	340,000.00	785,937.50	1,125,937.50
2028	5.00%	650,000.00	66,750.00	716,750.00	4.50%	355,000.00	768,937.50	1,123,937.50
2029	5.00%	685,000.00	34,250.00	719,250.00	4.50%	375,000.00	751,187.50	1,126,187.50
2030		-	-	-	4.50%	395,000.00	732,437.50	1,127,437.50
2031		-	-	-	4.50%	415,000.00	712,687.50	1,127,687.50
2032		-	-	-	4.50%	435,000.00	691,937.50	1,126,937.50
2033		-	-	-	4.50%	455,000.00	670,187.50	1,125,187.50
2034		-	-	-	4.50%	480,000.00	647,437.50	1,127,437.50
2035		-	-	-	4.50%	495,000.00	628,237.50	1,123,237.50
2036		-	-	-	4.50%	520,000.00	603,487.50	1,123,487.50
2037		-	-	-	4.50%	540,000.00	582,687.50	1,122,687.50
2038		-	-	-	4.50%	565,000.00	561,087.50	1,126,087.50
2039		-	-	-	4.50%	585,000.00	538,487.50	1,123,487.50
2040		-	-	-	4.50%	610,000.00	515,087.50	1,125,087.50
2041		-	-	-	4.50%	635,000.00	490,687.50	1,125,687.50
2042		-	-	-	4.50%	665,000.00	458,937.50	1,123,937.50
2043		-	-	-	4.50%	700,000.00	425,687.50	1,125,687.50
2044		-	-	-	4.50%	730,000.00	397,687.50	1,127,687.50
2045		-	-	-	4.50%	755,000.00	368,487.50	1,123,487.50
2046		-	-	-	4.50%	785,000.00	338,287.50	1,123,287.50
2047		-	-	-	4.50%	820,000.00	306,887.50	1,126,887.50
2048		-	-	-	4.50%	850,000.00	274,087.50	1,124,087.50
2049		-	-	-	4.50%	885,000.00	240,087.50	1,125,087.50
2050		-	-	-	4.50%	920,000.00	204,687.50	1,124,687.50
2051		-	-	-	4.50%	955,000.00	167,887.50	1,122,887.50
2052		-	-	-	4.50%	995,000.00	128,493.76	1,123,493.76
2053		-	-	-	4.50%	1,040,000.00	87,450.00	1,127,450.00
2054		-	-	-	4.50%	1,080,000.00	44,550.00	1,124,550.00
2055		-	-	-	4.50%	-	-	-
		2,545,000.00	326,000.00	2,871,000.00		18,705,000.00	13,925,918.76	32,630,918.76

(17) These certificates were issued to fund fleet and equipment purchases

(18) These certificates were issued to street, park, and facility improvements

City of Sherman, Texas

Bonded Debt as of 9/30/25

	(18) $24,750,000 Combination Tax & Revenue Certificates of Obligation Series 2025				(19) $6,810,000 Limited Tax Notes, Series 2025			
Fiscal Yr	Coupon	Principal	Interest		Coupon	Principal	Interest	
2026	4.50%	375,000.00	1,225,187.50	1,600,187.50	5.00%	1,030,000.00	284,750.00	1,314,750.00
2027	4.50%	390,000.00	1,206,437.50	1,596,437.50	5.00%	1,080,000.00	233,250.00	1,313,250.00
2028	4.50%	410,000.00	1,186,937.50	1,596,937.50	5.00%	1,135,000.00	179,250.00	1,314,250.00
2029	4.50%	430,000.00	1,166,437.50	1,596,437.50	5.00%	1,195,000.00	122,500.00	1,317,500.00
2030	4.50%	455,000.00	1,144,937.50	1,599,937.50	5.00%	1,255,000.00	62,750.00	1,317,750.00
2031	4.50%	475,000.00	1,122,187.50	1,597,187.50		-	-	-
2032	4.50%	500,000.00	1,098,437.50	1,598,437.50		-	-	-
2033	4.50%	525,000.00	1,073,437.50	1,598,437.50		-	-	-
2034	4.50%	550,000.00	1,047,187.50	1,597,187.50		-	-	-
2035	4.50%	580,000.00	1,019,687.50	1,599,687.50		-	-	-
2036	4.50%	610,000.00	990,687.50	1,600,687.50		-	-	-
2037	4.50%	640,000.00	960,187.50	1,600,187.50		-	-	-
2038	4.50%	670,000.00	928,187.50	1,598,187.50		-	-	-
2039	4.50%	705,000.00	894,687.50	1,599,687.50		-	-	-
2040	4.50%	740,000.00	859,437.50	1,599,437.50		-	-	-
2041	4.50%	775,000.00	822,437.50	1,597,437.50		-	-	-
2042	4.50%	815,000.00	783,687.50	1,598,687.50		-	-	-
2043	4.50%	855,000.00	742,937.50	1,597,937.50		-	-	-
2044	4.50%	900,000.00	700,187.50	1,600,187.50		-	-	-
2045	4.50%	945,000.00	655,187.50	1,600,187.50		-	-	-
2046	4.50%	990,000.00	607,937.50	1,597,937.50		-	-	-
2047	4.50%	1,040,000.00	558,437.50	1,598,437.50		-	-	-
2048	4.50%	1,095,000.00	506,437.50	1,601,437.50		-	-	-
2049	4.50%	1,145,000.00	451,687.50	1,596,687.50		-	-	-
2050	4.50%	1,200,000.00	397,300.00	1,597,300.00		-	-	-
2051	4.50%	1,260,000.00	340,300.00	1,600,300.00		-	-	-
2052	4.50%	1,320,000.00	280,450.00	1,600,450.00		-	-	-
2053	4.50%	1,380,000.00	217,750.00	1,597,750.00		-	-	-
2054	4.50%	1,450,000.00	148,750.00	1,598,750.00		-	-	-
2055	4.50%	1,525,000.00	76,250.00	1,601,250.00		-	-	-
		24,750,000.00	23,213,800.00	47,963,800.00		5,695,000.00	882,500.00	6,577,500.00

(18) These certificates were issued to street, park, and facility improvements

(19) These certificates were issued to fund fleet and equipment purchases

City of Sherman, Texas
Bonded Debt as of 9/30/25

	TOTALS		
Fiscal Yr	Principal	Interest	TOTAL
2026	9,050,000.00	8,725,212.52	17,775,212.52
2027	9,005,000.00	8,298,412.52	17,303,412.52
2028	9,030,000.00	7,879,312.52	16,909,312.52
2029	8,433,624.46	7,459,025.02	15,892,649.48
2030	7,631,375.54	7,090,162.52	14,721,538.06
2031	6,515,000.00	6,769,350.02	13,284,350.02
2032	6,760,000.00	6,527,775.02	13,287,775.02
2033	7,010,000.00	6,273,393.76	13,283,393.76
2034	7,285,000.00	6,006,406.26	13,291,406.26
2035	7,545,000.00	5,740,893.76	13,285,893.76
2036	7,835,000.00	5,455,306.28	13,290,306.28
2037	7,655,000.00	5,163,093.76	12,818,093.76
2038	6,345,000.00	4,871,843.76	11,216,843.76
2039	6,590,000.00	4,624,093.76	11,214,093.76
2040	6,850,000.00	4,364,718.76	11,214,718.76
2041	7,120,000.00	4,093,043.76	11,213,043.76
2042	7,405,000.00	3,803,506.26	11,208,506.26
2043	7,710,000.00	3,500,050.12	11,210,050.12
2044	6,825,000.00	3,190,256.26	10,015,256.26
2045	5,945,000.00	2,910,343.76	8,855,343.76
2046	6,195,000.00	2,654,281.26	8,849,281.26
2047	6,470,000.00	2,386,737.50	8,856,737.50
2048	6,750,000.00	2,106,512.50	8,856,512.50
2049	7,040,000.00	1,811,750.00	8,851,750.00
2050	7,345,000.00	1,506,525.00	8,851,525.00
2051	7,665,000.00	1,187,362.50	8,852,362.50
2052	6,640,000.00	852,193.76	7,492,193.76
2053	6,960,000.00	532,200.00	7,492,200.00
2054	2,530,000.00	193,300.00	2,723,300.00
2055	1,525,000.00	76,250.00	1,601,250.00
	207,665,000.00	126,053,312.92	333,718,312.92

CITY OF SHERMAN
ITEMIZATION OF CERTAIN EXPENDITURES REQUIRED BY LGC SECTION 140.0045

Expenditures for:	**FY 2025**	**FY2026**
(1) Notices required by law to be published in a newspaper by the City or a representative of the City	$ 33,683.75	$ 22,229.73
(2) directly or indirectly influencing or attempting to influence the outcome of legislation of administrative action, as those terms are defined in Section 305.002, Government Code	$ -	$ -

2025 Tax Rate Calculation Worksheet
Taxing Units Other Than School Districts or Water Districts

Form 50-856

City of Sherman
Taxing Unit Name

(903) 892-7201
Phone *(area code and number)*

220 W. Mulberry, Sherman, TX 75090
Taxing Unit's Address, City, State, ZIP Code

www.ci.sherman.tx.us
Taxing Unit's Website Address

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

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

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

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

SECTION 1: No-New-Revenue Tax Rate

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

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

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

Line	No-New-Revenue Tax Rate Worksheet		Amount/Rate
1.	**Prior year total taxable value.** Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17).[1]		$ 8,434,243,378
2.	**Prior year tax ceilings.** Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step.[2]		$ 731,423,800
3.	**Preliminary prior year adjusted taxable value.** Subtract Line 2 from Line 1.		$ 7,702,819,578
4.	**Prior year total adopted tax rate.**		$ .508000 /$100
5.	**Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value.**		
	A. Original prior year ARB values:	$ 130,425,935	
	B. Prior year values resulting from final court decisions:	- $ 120,517,431	
	C. Prior year value loss. Subtract B from A.[3]		$ 9,908,504
6.	**Prior year taxable value subject to an appeal under Chapter 42, as of July 25.**		
	A. Prior year ARB certified value:	$ 250,962,755	
	B. Prior year disputed value:	- $ 37,644,413	
	C. Prior year undisputed value. Subtract B from A.[4]		$ 213,318,342
7.	**Prior year Chapter 42 related adjusted values.** Add Line 5C and Line 6C.		$ 223.226.846

[1] Tex. Tax Code §26.012(14)
[2] Tex. Tax Code §26.012(14)
[3] Tex. Tax Code §26.012(13)
[4] Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Add Line 3 and Line 7.	$ 7,926,046,424
9.	**Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2024.** Enter the prior year value of property in deannexed territory. [5]	$ 614,981
10.	**Prior year taxable value lost because property first qualified for an exemption in the current year.** If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. **A. Absolute exemptions.** Use prior year market value: ..... $ 24,801,801 **B. Partial exemptions.** Current year exemption amount or current year percentage exemption times prior year value: ..... + $ 10,244,350 **C. Value loss.** Add A and B. [6]	$ 35,046,151
11.	**Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year.** Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year. **A. Prior year market value:** ..... $ 634,034 **B. Current year productivity or special appraised value:** ..... - $ 0 **C. Value loss.** Subtract B from A. [7]	$ 634,034
12.	**Total adjustments for lost value.** Add Lines 9, 10C and 11C.	$ 36,295,166
13.	**Prior year captured value of property in a TIF.** Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. [8] If the taxing unit has no captured appraised value in line 18D, enter 0.	$ 190,587,325
14.	**Prior year total value.** Subtract Line 12 and Line 13 from Line 8.	$ 7,699,163,933
15.	**Adjusted prior year total levy.** Multiply Line 4 by Line 14 and divide by $100.	$ 39,111,753
16.	**Taxes refunded for years preceding the prior tax year.** Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. [9]	$ 65,644
17.	**Adjusted prior year levy with refunds and TIF adjustment.** Add Lines 15 and 16. [10]	$ 39,177,397
18.	**Total current year taxable value on the current year certified appraisal roll today.** This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. [11] **A. Certified values:** ..... $ 7,747,619,975 **B. Counties:** Include railroad rolling stock values certified by the Comptroller's office: ..... + $ ____ **C. Pollution control and energy storage system exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - $ ____ **D. Tax increment financing:** Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. [12] ..... - $ 207,402,057 **E. Total current year value.** Add A and B, then subtract C and D.	$ 7,540,217,918

[5] Tex. Tax Code §26.012(15)
[6] Tex. Tax Code §26.012(15)
[7] Tex. Tax Code §26.012(15)
[8] Tex. Tax Code §26.03(c)
[9] Tex. Tax Code §26.012(13)
[10] Tex. Tax Code §26.012(13)
[11] Tex. Tax Code §26.012, 26.04(c-2)
[12] Tex. Tax Code §26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	**Total value of properties under protest or not included on certified appraisal roll.** [13] **A. Current year taxable value of properties under protest.** The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. [14] ..... $ 229,648,526 **B. Current year value of properties not under protest or included on certified appraisal roll.** The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. [15] ..... + $ 0 **C. Total value under protest or not certified.** Add A and B.	$ 229,648,526
20.	**Current year tax ceilings.** Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step.[16]	$ 756,603,123
21.	**Current year total taxable value.** Add Lines 18E and 19C. Subtract Line 20. [17]	$ 7,013,263,321
22.	**Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year.** Include both real and personal property. Enter the current year value of property in territory annexed. [18]	$ 9,581
23.	**Total current year taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements **do** include property on which a tax abatement agreement has expired for the current year. [19]	$ 688,240,288
24.	**Total adjustments to the current year taxable value.** Add Lines 22 and 23.	$ 688,249,869
25.	**Adjusted current year taxable value.** Subtract Line 24 from Line 21.	$ 6,325,013,452
26.	**Current year NNR tax rate.** Divide Line 17 by Line 25 and multiply by $100. [20]	$ .619404 /$100
27.	**COUNTIES ONLY.** Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. [21]	$ _____ /$100

SECTION 2: Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

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

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

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	**Prior year M&O tax rate.** Enter the prior year M&O tax rate.	$ .307465 /$100
29.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Enter the amount in Line 8 of the *No-New-Revenue Tax Rate Worksheet.*	$ 7,926,046,424

[13] Tex. Tax Code §26.01(c) and (d)
[14] Tex. Tax Code §26.01(c)
[15] Tex. Tax Code §26.01(d)
[16] Tex. Tax Code §26.012(6)(B)
[17] Tex. Tax Code §26.012(6)
[18] Tex. Tax Code §26.012(17)
[19] Tex. Tax Code §26.012(17)
[20] Tex. Tax Code §26.04(c)
[21] Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	**Total prior year M&O levy.** Multiply Line 28 by Line 29 and divide by $100.	$ 24,369,819
31.	**Adjusted prior year levy for calculating NNR M&O rate.**	
	A. **M&O taxes refunded for years preceding the prior tax year.** Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2024. This line applies only to tax years preceding the prior tax year. + $ 34,964	
	B. **Prior year taxes in TIF.** Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0. – $ 762,770	
	C. **Prior year transferred function.** If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- $ 0	
	D. **Prior year M&O levy adjustments.** Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. $ -727,806	
	E. Add Line 30 to 31D.	$ 23,642,013
32.	**Adjusted current year taxable value.** Enter the amount in Line 25 of the *No-New-Revenue Tax Rate Worksheet.*	$ 6,325,013,452
33.	**Current year NNR M&O rate (unadjusted).** Divide Line 31E by Line 32 and multiply by $100.	$ .373786 /$100
34.	**Rate adjustment for state criminal justice mandate.** [23]	
	A. **Current year state criminal justice mandate.** Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. $ _____	
	B. **Prior year state criminal justice mandate.** Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. – $ _____	
	C. Subtract B from A and divide by Line 32 and multiply by $100. $ _____ /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	$ _____ /$100
35.	**Rate adjustment for indigent health care expenditures.** [24]	
	A. **Current year indigent health care expenditures.** Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose. $ _____	
	B. **Prior year indigent health care expenditures.** Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2023 and ending on June 30, 2024, less any state assistance received for the same purpose. – $ _____	
	C. Subtract B from A and divide by Line 32 and multiply by $100. $ _____ /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.	$ _____ /$100

[22] [Reserved for expansion]
[23] Tex. Tax Code §26.044
[24] Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	**Rate adjustment for county indigent defense compensation.** [25] **A. Current year indigent defense compensation expenditures.** Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30,of the current tax year, less any state grants received by the county for the same purpose..... $ _____ **B. Prior year indigent defense compensation expenditures.** Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2023 and ending on June 30, 2024, less any state grants received by the county for the same purpose..... $ _____ **C.** Subtract B from A and divide by Line 32 and multiply by $100..... $ _____/$100 **D.** Multiply B by 0.05 and divide by Line 32 and multiply by $100..... $ _____/$100 **E.** Enter the lesser of C and D. If not applicable, enter 0.	$ _____/$100
37.	**Rate adjustment for county hospital expenditures.** [26] **A. Current year eligible county hospital expenditures.** Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year..... $ _____ **B. Prior year eligible county hospital expenditures.** Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2023 and ending on June 30, 2024. ..... $ _____ **C.** Subtract B from A and divide by Line 32 and multiply by $100..... $ _____/$100 **D.** Multiply B by 0.08 and divide by Line 32 and multiply by $100..... $ _____/$100 **E.** Enter the lesser of C and D, if applicable. If not applicable, enter 0.	$ _____/$100
38.	**Rate adjustment for defunding municipality.** This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information. **A. Amount appropriated for public safety in the prior year.** Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year..... $ _____ **B. Expenditures for public safety in the prior year.** Enter the amount of money spent by the municipality for public safety during the preceding fiscal year ..... $ _____ **C.** Subtract B from A and divide by Line 32 and multiply by $100 ..... $ _____/$100 **D.** Enter the rate calculated in C. If not applicable, enter 0.	$ _____/$100
39.	**Adjusted current year NNR M&O rate.** Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	$ .373786 /$100
40.	**Adjustment for prior year sales tax specifically to reduce property taxes.** Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero. **A.** Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent ..... $ 9,234,190 **B.** Divide Line 40A by Line 32 and multiply by $100 ..... $ .145995 /$100 **C.** Add Line 40B to Line 39.	$ .519781 /$100
41.	**Current year voter-approval M&O rate.** Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. **- or -** **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.	$ .537973 /$100

[25] Tex. Tax Code §26.0442
[26] Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	***Disaster Line 41 (D41):* Current year voter-approval M&O rate for taxing unit affected by disaster declaration.** If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of: 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or 2) the third tax year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. [27] If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	$ _____ /$100
42.	**Total current year debt to be paid with property taxes and additional sales tax revenue.** Debt means the interest and principal that will be paid on debts that: **(1)** are paid by property taxes; **(2)** are secured by property taxes; **(3)** are scheduled for payment over a period longer than one year; and **(4)** are not classified in the taxing unit's budget as M&O expenses. **A. Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. [28] Enter debt amount ..... $ 17,542,000 **B.** Subtract **unencumbered fund amount** used to reduce total debt. ..... – $ 500,000 **C.** Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none) ..... – $ 0 **D.** Subtract **amount paid** from other resources ..... – $ 0 **E. Adjusted debt.** Subtract B, C and D from A.	$ 17,042,000
43.	**Certified prior year excess debt collections.** Enter the amount certified by the collector. [29]	$ 0
44.	**Adjusted current year debt.** Subtract Line 43 from Line 42E.	$ 17,042,000
45.	**Current year anticipated collection rate.** **A.** Enter the current year anticipated collection rate certified by the collector. [30] ..... 97.37 % **B.** Enter the prior year actual collection rate. ..... 97.62 % **C.** Enter the 2023 actual collection rate. ..... 96.77 % **D.** Enter the 2022 actual collection rate. ..... 97.72 % **E.** If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. [31]	97.37 %
46.	**Current year debt adjusted for collections.** Divide Line 44 by Line 45E.	$ 17,502,311
47.	**Current year total taxable value.** Enter the amount on Line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$ 7,013,263,321
48.	**Current year debt rate.** Divide Line 46 by Line 47 and multiply by $100.	$ .249560 /$100
49.	**Current year voter-approval M&O rate plus current year debt rate.** Add Lines 41 and 48.	$ .787533 /$100
D49.	***Disaster Line 49 (D49):* Current year voter-approval tax rate for taxing unit affected by disaster declaration.** Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	$ _____ /$100

[27] Tex. Tax Code §26.042(a)
[28] Tex. Tax Code §26.012(7)
[29] Tex. Tax Code §26.012(10) and 26.04(b)
[30] Tex. Tax Code §26.04(b)
[31] Tex. Tax Code §§26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	**COUNTIES ONLY.** Add together the voter-approval tax rates for each type of tax the county levies. The total is the current year county voter-approval tax rate.	$ _____/$100

SECTION 3: NNR Tax Rate and Voter Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

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

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

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	**Taxable Sales.** For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters. [32] Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	$ 0
52.	**Estimated sales tax revenue.** Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. [33] **Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year.** Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. [34] **- or -** **Taxing units that adopted the sales tax before November of the prior year.** Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$ 9,170,240
53.	**Current year total taxable value.** Enter the amount from Line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$ 7,013,263,321
54.	**Sales tax adjustment rate.** Divide Line 52 by Line 53 and multiply by $100.	$ .130756 /$100
55.	**Current year NNR tax rate, unadjusted for sales tax.**[35] Enter the rate from Line 26 or 27, as applicable, on the *No-New-Revenue Tax Rate Worksheet*.	$ .619404 /$100
56.	**Current year NNR tax rate, adjusted for sales tax.** **Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year.** Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November of the prior tax year.	$ _____/$100
57.	**Current year voter-approval tax rate, unadjusted for sales tax.**[36] Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the *Voter-Approval Tax Rate Worksheet*.	$ .787533 /$100
58.	**Current year voter-approval tax rate, adjusted for sales tax.** Subtract Line 54 from Line 57.	$ .656778 /$100

SECTION 4: Voter Approval Tax Rate Adjustment for Pollution Control

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

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

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ. [37] The taxing unit shall provide its tax assessor-collector with a copy of the letter. [38]	$ _____
60.	**Current year total taxable value.** Enter the amount from Line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$ _____
61.	**Additional rate for pollution control.** Divide Line 59 by Line 60 and multiply by $100.	$ _____/$100

[32] Tex. Tax Code §26.041(d)
[33] Tex. Tax Code §26.041(i)
[34] Tex. Tax Code §26.041(d)
[35] Tex. Tax Code §26.04(c)
[36] Tex. Tax Code §26.04(c)
[37] Tex. Tax Code §26.045(d)
[38] Tex. Tax Code §26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
62.	**Current year voter-approval tax rate, adjusted for pollution control.** Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	$ .656778 /$100

SECTION 5: Voter Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value.[39] The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value.[40]

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

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042;[41]
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);[42] or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.[43]

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.[44]

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	**Year 3 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value**	
	A. Voter-approval tax rate (Line 68)	$ .515093 /$100
	B. Unused increment rate (Line 67)	$ .007318 /$100
	C. Subtract B from A	$ .507775 /$100
	D. Adopted Tax Rate	$ .508000 /$100
	E. Subtract D from C	$ -.200225 /$100
	F. 2024 Total Taxable Value (Line 60)	$ 7,581,298,525
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 0
64.	**Year 2 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value**	
	A. Voter-approval tax rate (Line 67)	$ .529260 /$100
	B. Unused increment rate (Line 66)	$ .033884 /$100
	C. Subtract B from A	$ .495376 /$100
	D. Adopted Tax Rate	$ .508000 /$100
	E. Subtract D from C	$ -.012624 /$100
	F. 2023 Total Taxable Value (Line 60)	$ 5,050,723,474
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 0
65.	**Year 1 Foregone Revenue Amount. Subtract the 2022 unused increment rate and 2022 actual tax rate from the 2022 voter-approval tax rate. Multiply the result by the 2022 current total value**	
	A. Voter-approval tax rate (Line 67)	$ .503816 /$100
	B. Unused increment rate (Line 66)	$ .033884 /$100
	C. Subtract B from A	$ .469932 /$100
	D. Adopted Tax Rate	$ .469932 /$100
	E. Subtract D from C	$ 0 /$100
	F. 2022 Total Taxable Value (Line 60)	$ 4,237,039,291
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 0
66.	**Total Foregone Revenue Amount.** Add Lines 63G, 64G and 65G	$ 0 /$100
67.	**2025 Unused Increment Rate.** Divide Line 66 by Line 21 of the *No-New-Revenue Rate Worksheet*. Multiply the result by 100	$ 0 /$100
68.	**Total 2025 voter-approval tax rate, including the unused increment rate.** Add Line 67 to one of the following lines (as applicable): Line 49, Line 50 (counties), Line 58 (taxing units with additional sales tax) or Line 62 (taxing units with pollution)	$ .656778 /$100

[39] Tex. Tax Code §26.013(b)
[40] Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
[41] Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)
[42] Tex. Tax Code §§26.0501(a) and (c)
[43] Tex. Local Gov't Code §120.007(d)
[44] Tex. Local Gov't Code §26.04(c)(2)(B)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise $500,000, and the current debt rate for a taxing unit. [45]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [46]

Line	De Minimis Rate Worksheet	Amount/Rate
69.	**Adjusted current year NNR M&O tax rate.** Enter the rate from Line 39 of the *Voter-Approval Tax Rate Worksheet.*	$ _____/$100
70.	**Current year total taxable value.** Enter the amount on Line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$ _____
71.	**Rate necessary to impose $500,000 in taxes.** Divide $500,000 by Line 70 and multiply by $100.	$ _____/$100
72.	**Current year debt rate.** Enter the rate from Line 48 of the *Voter-Approval Tax Rate Worksheet*.	$ _____/$100
73.	**De minimis rate.** Add Lines 69, 71 and 72.	$ _____/$100

SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.[47]

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year. [48]

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

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

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

Line	Emergency Revenue Rate Worksheet	Amount/Rate
74.	**2024 adopted tax rate.** Enter the rate in Line 4 of the *No-New-Revenue Tax Rate Worksheet.*	$ _____/$100
75.	**Adjusted 2024 voter-approval tax rate.** Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. [49] If a disaster occurred in 2024 and the taxing unit calculated its 2024 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2024 worksheet due to a disaster, complete the applicable sections or lines of *Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet*. **- or -** If a disaster occurred prior to 2024 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2024, complete form 50-856-a, *Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet* to recalculate the voter-approval tax rate the taxing unit would have calculated in 2024 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. [50] Enter the final adjusted 2024 voter-approval tax rate from the worksheet. **- or -** If the taxing unit adopted a tax rate above the 2024 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	$ _____/$100
76.	**Increase in 2024 tax rate due to disaster.** Subtract Line 75 from Line 74.	$ _____/$100
77.	**Adjusted 2024 taxable value.** Enter the amount in Line 14 of the *No-New-Revenue Tax Rate Worksheet.*	$ _____
78.	**Emergency revenue.** Multiply Line 76 by Line 77 and divide by $100.	$ _____
79.	**Adjusted 2024 taxable value.** Enter the amount in Line 25 of the *No-New-Revenue Tax Rate Worksheet.*	$ _____
80.	**Emergency revenue rate.** Divide Line 78 by Line 79 and multiply by $100. [50]	$ _____/$100

[45] Tex. Tax Code §26.012(8-a)
[46] Tex. Tax Code §26.063(a)(1)
[47] Tex. Tax Code §26.042(b)
[48] Tex. Tax Code §26.042(f)
[49] Tex. Tax Code §26.042(c)
[50] Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
81.	**Current year voter-approval tax rate, adjusted for emergency revenue.** Subtract Line 80 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 68 (taxing units with the unused increment rate).	$ _____/$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. ..... $ .619404 /$100
As applicable, enter the current year NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).
Indicate the line number used: 26

Voter-approval tax rate ..... $ .656778 /$100
As applicable, enter the current year voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 68 (adjusted for unused increment), or Line 81 (adjusted for emergency revenue).
Indicate the line number used: 68

De minimis rate. ..... $ _____/$100
If applicable, enter the current year de minimis rate from Line 73.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code. [51]

print here ▶ Mary Lawrence
Printed Name of Taxing Unit Representative

sign here ▶ Mary Lawrence
Taxing Unit Representative

8/4/25
Date

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

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. D.3.

Meeting Date: 9/2/2025

Prepared By: Mary Lawrence, Chief Financial Officer

Approved By: Zachary Flores, Acting City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6865

Providing for the Levy of Ad Valorem Taxes for the City of Sherman, Texas, for the Tax Year 2025; Distributing the Same Among the Various Funds; Providing for a Penalty and Interest for Failure to Pay the Taxes Levied within the Time Provided by Law; Providing for a Lien on all Real and Personal Property to Secure Payment of Taxes Due Thereon; Providing a Penalty Clause, Savings/Repealing Clause, Severability Clause and An Effective Date.

Issue:

To introduce and hold a public hearing on the Ad Valorem Tax Rate proposed for the upcoming fiscal year.

Background:

The no-new-revenue tax rate is the rate for the 2025 tax year that will raise the same amount of property tax revenue from the same properties in both the 2024 tax year and the 2025 tax year. The voter-approval rate is the highest tax rate that may be adopted without holding an election to seek voter approval of the rate. This year's no-new-revenue tax rate is $0.619404/$100, and the voter-approval rate is $0.656778/$100 (with sales tax-in-lieu-of property tax adjustment). The actual total tax rate of $0.508000/$100 is the same as last year's actual tax rate. The tax rate is split between a debt service component called Interest and Sinking (I&S) and a Maintenance and Operations (M&O) component. The I&S rate is $0.249560/$100 and the M&O rate is $0.258440/$100.

Capital Improvement Program:

Origination:

Mary Lawrence, CFO

Financial Consideration:

The proposed tax rate will generate approximately $37 million in property tax revenue.

Staff Recommendation:

Based on the Budget Workshop and discussion of the draft budget, the staff recommends the Council hold the public hearing on the tax rates as indicated above.

Alternatives:

Since notice has already been published, changing the proposed rates would require re-publication of the notice and setting another public hearing.

Attachments:

1. Ordinance Tax Levy FY2026
2. Notice About Tax Rates 2026 (26.04(e))
3. Notice of Meeting to vote on Tax Rate FY2026 26.061
4. Ordinance No. 6865

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE LEVY OF AD VALOREM TAXES FOR THE CITY OF SHERMAN, TEXAS, FOR THE TAX YEAR 2025; DISTRIBUTING THE SAME AMONG THE VARIOUS FUNDS; PROVIDING FOR A PENALTY AND INTEREST FOR FAILURE TO PAY THE TAXES LEVIED WITHIN THE TIME PROVIDED BY LAW; PROVIDING FOR A LIEN ON ALL REAL AND PERSONAL PROPERTY TO SECURE PAYMENT OF TAXES DUE THEREON; PROVIDING A PENALTY CLAUSE, SAVINGS/ REPEALING CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Council hereby levies, approves and orders to be assessed and collected for the Tax Year 2025 beginning on January 1, 2025, and for each subsequent tax year until otherwise ordained, a Maintenance and Operations (M&O) ad valorem tax at the rate of $0.258440/$100 Dollars of taxable value and a debt service ad valorem tax at the rate of $0.249560/$100 Dollars of taxable value on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Sherman that is not exempt from taxation by the constitution and laws of the State of Texas, apportioned as follows, with each such component being separately approved by the City Council:

FOR GENERAL FUND EXPENDITURES, $0.258440 on each One Hundred Dollars ($100.00) assessed valuation of such property.

FOR DEBT SERVICE EXPENDITURES, $0.249560 on each One Hundred Dollars ($100.00) assessed valuation of such property.

The total tax rate of $0.508000 is based on one hundred percent (100%) market value on each One Hundred Dollars ($100.00) of assessed valuation of all taxable property within the City.

SECTION 2. That a penalty shall be charged and collected from all persons who do not pay their taxes prior to the first day of February 2026. Penalty charges shall be in accordance with the following schedule.

If paid in February, 2026	6%
If paid in March, 2026	7%
If paid in April, 2026	8%
If paid in May, 2026	9%
If paid in June, 2026	10%
If paid on or after July 1, 2026	12%

All delinquent taxes shall accrue interest from the date of delinquency at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Pursuant to Section 33.07 of the Texas Property Tax Code, an additional penalty of twenty percent (20%) of the amount of taxes, penalty and interest that remain due after July 1, 2026, shall be assessed to defray the cost of collection.

A tax imposed on tangible personal property that is delinquent on or after February 1 of the year in which it becomes delinquent shall incur an additional penalty sixty (60) days after the date the tax becomes delinquent. Pursuant to Section 33.11 of the Texas Property Tax Code, the tangible personal property taxes that remain delinquent on April 1 of the year in which they become delinquent shall incur an additional penalty of twenty percent (20%) of the amount of taxes, penalty and interest due to defray the costs of collection.

The City shall have a lien on all taxable property located in the City to secure the payment of taxes, penalty and interest, and all costs of collection, assessed and levied hereby.

SECTION 3: Taxes are payable at the office of the Grayson County Tax Assessor/Collector. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 4: The tax roll, as presented to the City Council, together with any supplement thereto, is hereby accepted.

SECTION 5. All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed Ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 6. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 7. That it is found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the_____day of _____, 2025.

ADOPTED on this the_____day of _____, 2025.

EFFECTIVE DATE on this the _____day of _____, 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS, ACTING CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

Notice About 2025 Tax Rates

Property Tax Rates in the City of Sherman

This notice concerns the 2025 property tax rates for the City of Sherman.

This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per $100 of property value.

This year's no-new-revenue tax rate……$0.616404/$100

This year's voter-approval tax rate……$0.656778/$100

To see the full calculations, please visit www.ci.sherman.tx.us for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balances

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
Debt Service	$ 576,458
General	$ 22,731,800

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues or additional sales tax revenues.

Description of Debt	Principal or Contract Payment to be Paid From Property Taxes	Interest to be Paid From Property Taxes	Other Amounts to be Paid	Total Payment
2016 Certificate of Obligation	$ 360,000	$ 108,813	$ 1,187	$ 470,000
2017 Refunding Bond	$ 795,200	$ 112,800	$ -	$ 908,000
2017 Certificate of Obligation	$ 425,665	$ 221,666	$ 1,669	$ 649,000
2018 Certificate of Obligation	$ 630,000	$ 564,256	$ 744	$ 1,195,000
2019 Certificate of Obligation	$ 585,000	$ 579,863	$ 137	$ 1,165,000
2021 Tax Notes	$ 350,000	$ 14,000	$ -	$ 364,000
2021 Certificate of Obligation	$ 695,000	$ 667,469	$ 531	$ 1,363,000
2022 Tax Notes	$ 360,000	$ 37,000	$ -	$ 397,000
2023 Certificate of Obligation	$ 1,215,000	$ 3,551,250	$ 750	$ 4,767,000
2023 Tax Notes	$ 515,000	$ 81,500	$ 500	$ 597,000
2024 Tax Notes	$ 590,000	$ 127,250	$ 750	$ 718,000
2024 Certificate of Obligation	$ 325,000	$ 802,188	$ 812	$ 1,128,000
2025 Tax Notes	$ 980,520	$ 271,071	$ 409	$ 1,252,000
2025 Certificate of Obligation	$ 375,000	$ 1,225,188	$ 812	$ 1,601,000
2026 Tax Notes	$ 765,000	$ 202,204	$ 796	$ 968,000

Total required for 2025 debt service	$ 17,542,000
- Amount paid from funds listed in unencumbered funds	$ 500,000
- Amount paid from other resources	$ -
- Excess collections last year	$ -
= Total to be paid from taxes in 2025	$ 17,042,000
' + Amount added in anticipation that the taxing unit will collect only 97.37% of its taxes in 2025	97.37%
= Total Debt Levy	$ 17,502,311

This notice contains a summary of the no-new-revenue and voter-approval calculations as certified by

Mary Lawrence,

Chief Financial Officer

August 4, 2025

Notice of Meeting to Vote on Tax Rate

PROPOSED TAX RATE	$0.508000	per $100
NO-NEW REVENUE TAX RATE	$0.619404	per $100
VOTER-APPROVAL TAX RATE	$0.656778	per $100

The no-new revenue tax rate is the tax rate for the 2025 tax year that will raise the same amount of property tax revenue for the City of Sherman from the same properties in both the 2024 tax year and the 2025 tax year.

The voter-approval rate is the highest tax rate that the City of Sherman may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is not greater than the no-new revenue tax rate. This means that the City of Sherman is not proposing to increase property taxes for the 2025 tax year.

A PUBLIC MEETING TO VOTE ON THE PROPOSED TAX RATE WILL BE HELD AT 5:00 P.M. ON SEPTEMBER 2, 2025, at 220 W. Mulberry St., Sherman, Texas.

The proposed tax rate is also not greater than the voter-approval tax rate. As a result, the City of Sherman is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the Sherman City Council of the City of Sherman at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE TAX RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount = (tax rate) x (taxable value of your property) / 100

FOR the proposal: Mayor Shawn Teamann, Deputy Mayor Juston Dobbs, Council Members Daron Holland, Pamela Howeth, Henry Marroquin, Clay Barnett, and Josh Stevenson

AGAINST the proposal: None

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by the City of Sherman last year to the taxes proposed to be imposed on the average residence homestead by the City of Sherman this year.

The following table compares the taxes imposed on the average residence homestead by the City of Sherman last year to the taxes proposed to be imposed on the average residence homestead by the City of Sherman this year.

	2024	**2025**	**Change**
Total tax rate (per $100 of value	$0.508000/$100	$0.508000/$100	No change
Average homestead taxable value	$245,471	$259,504	Increase of 5.7%
Tax on average homestead	$1,247	$1,318	Increase of $71 or 5.7%
Total tax levy on all properties	$41,159,745	$37,417,580	Decrease of $3,742,165 or, -9.1%

For assistance with tax calculations, please contact the tax assessor for the City of Sherman at 903-892-8297 or visit www.co.grayson.tx.us for more information.

ORDINANCE NO. 6865

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE LEVY OF AD VALOREM TAXES FOR THE CITY OF SHERMAN, TEXAS, FOR THE TAX YEAR 2025; DISTRIBUTING THE SAME AMONG THE VARIOUS FUNDS; PROVIDING FOR A PENALTY AND INTEREST FOR FAILURE TO PAY THE TAXES LEVIED WITHIN THE TIME PROVIDED BY LAW; PROVIDING FOR A LIEN ON ALL REAL AND PERSONAL PROPERTY TO SECURE PAYMENT OF TAXES DUE THEREON; PROVIDING A PENALTY CLAUSE, SAVINGS/ REPEALING CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Council hereby levies, approves and orders to be assessed and collected for the Tax Year 2025 beginning on January 1, 2025, and for each subsequent tax year until otherwise ordained, a Maintenance and Operations (M&O) ad valorem tax at the rate of $0.258440/$100 Dollars of taxable value and a debt service ad valorem tax at the rate of $0.249560/$100 Dollars of taxable value on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Sherman that is not exempt from taxation by the constitution and laws of the State of Texas, apportioned as follows, with each such component being separately approved by the City Council:

FOR GENERAL FUND EXPENDITURES, $0.258440 on each One Hundred Dollars ($100.00) assessed valuation of such property.

FOR DEBT SERVICE EXPENDITURES, $0.249560 on each One Hundred Dollars ($100.00) assessed valuation of such property.

The total tax rate of $0.508000 is based on one hundred percent (100%) market value on each One Hundred Dollars ($100.00) of assessed valuation of all taxable property within the City.

SECTION 2. That a penalty shall be charged and collected from all persons who do not pay their taxes prior to the first day of February 2026. Penalty charges shall be in accordance with the following schedule.

If paid in February, 2026	6%
If paid in March, 2026	7%
If paid in April, 2026	8%
If paid in May, 2026	9%
If paid in June, 2026	10%
If paid on or after July 1, 2026	12%

All delinquent taxes shall accrue interest from the date of delinquency at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Pursuant to Section 33.07 of the Texas Property Tax Code, an additional penalty of twenty percent (20%) of the amount of taxes, penalty and interest that remain due after July 1, 2026, shall be assessed to defray the cost of collection.

A tax imposed on tangible personal property that is delinquent on or after February 1 of the year in which it becomes delinquent shall incur an additional penalty sixty (60) days after the date the tax becomes delinquent. Pursuant to Section 33.11 of the Texas Property Tax Code, the tangible personal property taxes that remain delinquent on April 1 of the year in which they become delinquent shall incur an additional penalty of twenty percent (20%) of the amount of taxes, penalty and interest due to defray the costs of collection.

The City shall have a lien on all taxable property located in the City to secure the payment of taxes, penalty and interest, and all costs of collection, assessed and levied hereby.

SECTION 3: Taxes are payable at the office of the Grayson County Tax Assessor/Collector. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 4: The tax roll, as presented to the City Council, together with any supplement thereto, is hereby accepted.

SECTION 5. All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed Ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 6. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 7. That it is found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the 3rd day of September 2025.

ADOPTED on this the 3rd day of September 2025.

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

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN C. TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS,
EXEC. DIR. OF ADMINISTRATION /
ACTING CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. D.4.

Meeting Date: 9/2/2025

Prepared By: Mary Lawrence, Chief Financial Officer

Approved By: Zachary Flores, Acting City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6866

Re-appointing a Presiding Municipal Court of Record Judge and an Alternate Municipal Court of Record Judge for the City of Sherman, Grayson County, Texas

Issue:

The reappointment of Thomas Scott Smith as Presiding Judge and Holly Fox as Alternate Municipal Court of Record Judge

Background:

The City Council adopted Ordinance No. 6141 on August 6, 2018, which requires the reappointment of municipal court of record judges biennially in odd-numbered years. The agreement approved in 2023 by Ordinance 6629 gives the City the option to extend the agreement for two additional terms of two years each. The City desires to exercise the option for both judges.

Capital Improvement Program:

Origination:

Finance Department

Financial Consideration:

The Presiding Judge is paid $2,200.00 monthly plus additional amounts for jury trials and special work for the police department. The Alternate Judge presides over the civil court and is paid $175.00 per hour plus a $250.00 travel fee. Funds are budgeted in the FY2025 budget and the FY2026 proposed budget.

Staff Recommendation:

Staff recommends approval of the reappointment of both Presiding Judge Smith and Alternate Judge Holly Fox.

Alternatives:

As may be recommended by City Council.

Attachments:

1. Ordinance No. 6866
2. 6629 (ID 346071)
3. 6141 (ID 250668)

ORDINANCE NO. 6866

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RE-APPOINTING A MUNICIPAL COURT OF RECORD JUDGE AND AN ALTERNATE MUNICIPAL COURT OF RECORD JUDGE FOR THE CITY OF SHERMAN, 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, Chapter 7, Article 7.04.031 of the City of Sherman Code of Ordinances requires the City council to appoint one or more municipal judges in accordance with the City's home rule charter biennially of each odd-numbered year ; and

WHEREAS, the City Council of the City of Sherman, Texas, hereby finds and determines that Thomas Scott Smith, Attorney, and Holly Fox, Attorney, possess the qualifications and experience necessary for such position;

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

SECTION 1. That all of the above recitals and preambles are found to be true and correct and made a part hereof for all purposes.

SECTION 2. That Attorney Thomas Scott Smith be and is hereby appointed to serve in the capacity of Presiding Municipal Court Judge and that Attorney Holly Fox be and hereby appointed to service in the capacity of Alternate Municipal Court Judge.

SECTION 3. That it is hereby officially found and determined that the meeting at which this ordinance was introduced and passed were open to the public and that public notice of the time, place, and purpose of said meetings were given as required by law.

INTRODUCED on this the 2nd day of September 2025.

ADOPTED on this the 2nd day of September 2025.

EFFECTIVE DATE on this the 2nd day of September 2025.

CITY OF SHERMAN, TEXAS

BY: _____

SHAWN C. TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS,
EXEC. DIR. OF ADMINISTRATION /
ACTING CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
RYAN D. PITTMAN
CITY ATTORNEY,
ABERNATHY, ROEDER, BOYD & HULLETT, P.C.

ORDINANCE NO. 6629

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, RE-APPOINTING A PRESIDING MUNICIPAL COURT OF RECORD JUDGE AND AN ALTERNATE MUNICIPAL COURT OF RECORD JUDGE FOR THE CITY OF SHERMAN, 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, Chapter 7, Article 7.04.031 of the City of Sherman Code of Ordinances requires the City council to appoint one or more municipal judges in accordance with the City's home rule charter biennially of each odd-numbered year ; and

WHEREAS, the City Council of the City of Sherman, Texas, hereby finds and determines that Thomas Scott Smith, Attorney, and Holly Fox, Attorney, possess the qualifications and experience necessary for such position;

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

SECTION 1. That all of the above recitals and preambles are found to be true and correct and made a part hereof for all purposes.

SECTION 2. That Attorney Thomas Scott Smith be and is hereby appointed to serve in the capacity of Presiding Municipal Court Judge and that Attorney Holly Fox be and hereby appointed to service in the capacity of Alternate Municipal Court Judge.

SECTION 3. That it is hereby officially found and determined that the meeting at which this ordinance was introduced and passed were open to the public and that public notice of the time, place, and purpose of said meetings were given as required by law.

INTRODUCED on this the 7th day of August 2023.

ADOPTED on this the 7th day of August 2023.

EFFECTIVE DATE on this the 7th day of August 2023.

CITY OF SHERMAN, TEXAS

BY: _____

DAVID PLYLER, MAYOR

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

MUNICIPAL COURT JUDICIAL SERVICES AGREEMENT

The **City of Sherman, Texas**, a home-rule municipality ("Sherman"), and **Holly Fox** ("Contractor") hereby enter into this Municipal Court Judicial Services Agreement ("Agreement"). Sherman and Contractor are sometimes referred to collectively as the "parties" or individually as a "party."

WHEREAS, the City Council of the City of Sherman, Texas ("Sherman") has established and maintains the Sherman Municipal Court and appoints judges as may be necessary to serve the Court pursuant to Article IV, § 4 of Sherman City Charter; and

WHEREAS, Contractor desires to contract with Sherman to provide such judicial services as alternate judge for the Sherman Municipal Court under the terms and conditions of this Agreement; and

WHEREAS, Contractor represents and warrants that through education and experience, Contractor possesses the requisite skills to provide such judicial services in a professional and competent manner; and

WHEREAS, Sherman and Contractor acknowledge and agree that this Agreement is not an employment agreement and does not establish a relationship of employer and employee between Sherman and Contractor, but defines a relationship between the parties wherein the Contractor is in fact an independent contractor of Sherman; and

WHEREAS, Contractor reserves independence to act within the limits imposed by law and professional obligations such that Sherman's objectives during the term of this Agreement will be furthered through means the Contractor considers appropriate in accordance with Contractor's professional obligations and as may be required by the Texas Code of Judicial Conduct and other applicable rules and regulations.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Scope of Services. Contractor shall provide judicial services as the alternate judge in Sherman Municipal Court and shall furnish all labor, equipment, supplies and all other items necessary to provide the services and deliverables as specified by the terms and conditions of this Agreement (collectively, "Services"). The Services include, but are not limited to, the following:

    (a) Hearing and consideration of civil cases and other matters scheduled and assigned to Contractor in the Sherman Municipal Court;

    (b) Presiding over Sherman Municipal Court civil dockets, including pretrial conferences, pretrial hearings, plea and arraignments proceedings, trials and other proceedings scheduled and assigned to Contractor in the Sherman Municipal

Court;

(c) Issuing appropriate rulings and orders in civil cases and other matters scheduled and assigned to Contractor in the Sherman Municipal Court;

(d) Communicating with Sherman Municipal Court staff, judges, prosecuting and defending attorneys, defendants and other participants in cases and other matters scheduled and assigned to Contractor in the Sherman Municipal Court;

(e) Establishing the times and days for the court dockets;

(f) Performing such other functions within Sherman Municipal Court normally required of a municipal court alternate judge; and

(g) Providing Sherman timely updates regarding changes in the scope and nature of the Services provided hereunder that may affect operations, policies or activities of Sherman Municipal Court and making recommendations on improving the quality and efficiency of the Services provided hereunder.

Contractor shall perform the Services at the dockets to which he/she may be scheduled

2. Term; Termination. The term of this Agreement shall commence on the Effective Date (hereinafter defined) of this Agreement and shall continue in effect until August 6, 2025 unless terminated earlier in accordance with this Agreement or the City Charter. Sherman shall have the option to extend this Agreement for additional terms of two (2) years each on the same terms and conditions by giving Contractor written notice of its intent to extend prior to the expiration of the then-current two (2) year term, provided that the City Council has re-appointed Contractor as the alternate judge in accordance with Article IV, Section 44 of the City Charter. Sherman is entitled to terminate this Agreement at any time for any reason or for no reason by giving Contractor written notice of termination, removal or non-appointment. Contractor is entitled to terminate this Agreement at any time for any reason or for no reason by giving Sherman at least thirty (30) days' prior written notice of the termination date.

3. Compensation; Billing. In exchange for Contractor's provision of the Services as described in this Agreement, Sherman agrees to pay Contractor at the rate of $175.00 per hour for a minimum of two (2) hours of work actually performed by Contractor under this Agreement. In addition, Sherman agrees to pay Contractor for travel time to the Sherman Municipal Court at the rate of $250 per roundtrip. No additional compensation shall be due to Contractor.

Contractor shall submit monthly invoices to Sherman for Services actually provided by Contractor in accordance with this Agreement. The invoices shall include the length of time spent performing the work recorded in increments equal to the tenth of an hour. All invoices shall be submitted as soon as possible after the end of each calendar month, but in no event later than the fifth (5th) day of the next calendar month. Invoices are payable

by Sherman within thirty (30) business days of Sherman's receipt of each such invoice, unless a dispute arises as to any charge contained in the invoice, in which case Sherman shall pay the undisputed amount of the invoice as provided above and shall pay the remaining amount, if any, after resolution of the dispute as soon after resolution as is reasonable provided. Notwithstanding anything to the contrary herein, Sherman shall not be required to pay any invoice submitted by Contractor if Contractor is in breach of this Agreement.

As an appointed official, Contractor agrees to perform the service required by the position of alternate judge and is not limited to or guaranteed a preset number of hours per week or per month to perform such services. Contractor is expected to engage in those hours of work which are necessary to fulfill the obligations of Contractor's position. Contractor acknowledges that the proper performance of duties as alternate judge will often require the performance of necessary services at times and for extended periods other than as scheduled. Contractor agrees to devote such additional time as is necessary for the full and proper performance of duties and that the compensation herein provided for includes compensation for the performance of all such Services.

4. Cooperation. Contractor acknowledges that Sherman is entitled, in its sole discretion, to contract with and/or assign other judges to provide the same or similar judicial services for Sherman Municipal Court, and Contractor agrees to fully cooperate with Sherman and any such other judges in this regard, including but not limited to, coordinating the scheduling and coverage of the dockets and other needs of Sherman Municipal Court.

5. Conflicts. Sherman recognizes that Contractor may represent clients as an attorney. During the term of this Agreement, Contractor shall not represent any person or entity or otherwise engage in the practice of law in a matter directly adverse to Sherman, in an adversarial capacity before the Sherman City Council or any of its courts, agencies, boards or commissions, or in a matter that Sherman determines is adverse to the interests of Sherman. Further, Contractor represents that Contractor does not have any personal, business or financial interests or relationships which would cause a reasonable individual with knowledge of the relevant facts to question the integrity or impartiality of Contractor in performing the Services. Contractor shall evaluate on an ongoing basis whether, in Contractor's professional judgment, a conflict may become apparent or imminent. In the event that Contractor believes a conflict may develop or has developed, Contractor shall immediately communicate with Sherman about the perceived potential conflict.

6. Professional Obligations. Contractor must complete the minimum number of hours of instruction annually in the performance of the duties of a municipal court alternate judge as required by the laws of the State of Texas and any applicable rule or statute. Contractor shall ensure that official copies of records documenting such training shall be kept and maintained at all times. The Contractor shall provide upon request proof of current certification from the State Bar of Texas - during the term of this Agreement.

7. Entire Agreement. This Agreement contains all representations, understandings, contracts and agreements between the parties regarding the subject matter of this

Agreement. This Agreement supersedes all oral or written previous and contemporaneous agreements, writings, understandings, representations or contracts between the parties regarding the subject matter of this Agreement. No amendment to this Agreement shall be made except on the written agreement of the parties, which shall not be construed to release either party from any obligation of this Agreement except as specifically provided for in such amendment.

8. No Supervisory Capacity. Contractor acknowledges that the clerks of the Sherman Municipal Court are supervised by the City Manager as administrative employees and that Municipal Court prosecutors are supervised by the City Attorney. Contractor does not serve in a supervisory role as to any of these or other employees of Sherman except with regard to judicial procedures of the court. However, he/she shall consult with the appropriate department head or City Manager concerning needed improvements or problems that come to his/her attention through his/her service under this Agreement.

9. No Prohibited Interest. Contractor acknowledges and agrees that it is aware of, and will abide by, the no prohibited interest requirement of Sherman City Charter. Contractor acknowledges and agrees that the existence of a prohibited interest during the term of this Agreement will render this Agreement voidable.

10. Liability. To the fullest extent permitted by law, Contractor shall be fully and solely responsible and liable for Contractor's own acts - and for any and all intentional damage to Contractor's equipment and other property. Sherman assumes no such responsibility or liability. Sherman shall have no such responsibility or liability to Contractor.

11. Compliance with Laws. Contractor shall comply with all federal, state and local laws, statutes, ordinances, regulations and policies, as they exist, may be amended or in the future arising, applicable to Contractor and its work under this Agreement. If Contractor observes or is notified that the work under this Agreement is at variance with applicable laws, statutes, ordinances, regulations and policies, Contractor shall immediately notify Sherman in writing.

12. Assignment. Contractor agrees that neither this Agreement nor the work to be performed hereunder will be assigned or sublet without the prior written consent of Sherman.

13. Savings/Severability. 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.

14. Consideration. This Agreement is executed by the parties without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

15. Attorneys' Fees. If either party files any action or brings any proceeding against the other arising from this Agreement, then as between Sherman 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.

16. Governing Law; Venue. 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 - Texas.

17. No Waiver. 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.

18. Headings. The headings of the various sections of this Agreement are included solely for convenience of reference and are not to be full or accurate descriptions of the content thereof.

19. Notice. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing the same in the United States Mail, addressed to the party to be notified, postage pre-paid and registered or certified with return receipt requested; by electronic mail, with documentation evidencing the addressee's receipt thereof; or by delivering the same in person to such party a via hand-delivery service, or to any courier service that provides a return receipt showing the date of actual delivery of the same to the addressee thereof. Notice given in accordance herewith shall be effective on receipt at the address of the addressee. For purposes of notification, the addresses of the parties shall be as follows:

If to Contractor, to: Holly Fox
3905 Sonoma Bend
Flower Mound, TX 75022
Telephone: _214-924-1007_____
Email: holly.henson.fox@gmail.com

If to Sherman, to: City of Sherman
Attn: City Manager_____
Sherman, Texas
Email: robbyh@cityofsherman.comWith a copy to: Abernathy, Roeder, Boyd & Hullett, P.C.
Attn.: Ryan D. Pittman
1700 Redbud Blvd., Suite 300
McKinney, Texas 75069
Telephone: (214) 544-4000
Facsimile: (214) 544-4054
Email: rpittman@abernathy-law.com

20. Representations. Each party states that it has carefully read this Agreement, knows the contents hereof, has consulted with an attorney of its choice regarding the meaning and effect hereof and is signing the same solely of its own judgment.

21. Independent Contractor. Contractor covenants and agrees that Contractor is an independent contractor and not an officer, agent, servant or employee of Sherman; 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 Sherman and Contractor; and that nothing herein shall be construed as creating a partnership or joint enterprise between Sherman and Contractor. Neither Contractor nor his agents or employees shall be deemed to be an employee of Sherman for any purpose whatsoever. Contractor shall not be eligible to participate in any benefit program provided by Sherman for its employees. Contractor shall be exclusively responsible for the payment of his/her own taxes, withholding payments, penalties, fees, fringe benefits, contributions to insurance and pension or other deferred compensation plans, including but not limited to worker's compensation and Social Security obligations, professional fees or dues. Sherman may arrange to provide space for Contractor to use to facilitate access to the Municipal Court staff and others. The provision of space is not compensation, nor does it change the nature of the relationship from that of independent contractor. Contractor agrees to make use of the space, if any, as an accommodation to Sherman and only to conduct business in accordance with this Agreement.

22. Incorporation of Recitals. The representations, covenants and recitations set forth in the foregoing recitals of this Agreement are true and correct and are hereby incorporated into the body of this Agreement and adopted as findings of the authorized representatives of Sherman and Contractor.

23. Miscellaneous Drafting Provisions. 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.

24. No Waiver of Immunity. The parties acknowledge and agree that, in executing and performing this Agreement, Sherman and Contractor have 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.

25. Chapter 2270 Certification. In accordance with Chapter 2270 of the Texas Government Code, Contractor hereby certifies that Contractor (a) does not boycott Israel; and (b) will

not boycott Israel during the term of any contract with Sherman, including during the term of this Agreement.

26. Multiple Counterparts. 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.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective when all the parties have signed it. 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 ("Effective Date").

CITY OF SHERMAN, TEXAS

By: Holly E. Fox
Printed Name: Holly E. Fox
Title: Alternate Muncipal Court Judge
Date: July 7, 2023

By: Robby Hefton
Printed Name: Robby Hefton, City Manager
Date: 8·10·2023

MUNICIPAL COURT JUDICIAL SERVICES AGREEMENT

The **City of Sherman, Texas**, a home-rule municipality ("Sherman"), and **Thomas Scott Smith** ("Contractor") hereby enter into this Municipal Court Judicial Services Agreement ("Agreement"). Sherman and Contractor are sometimes referred to collectively as the "parties" or individually as a "party."

WHEREAS, the City Council of the City of Sherman, Texas ("Sherman") has established and maintains the Sherman Municipal Court and appoints judges as may be necessary to serve the Court pursuant to Article IV, § 4 of Sherman City Charter; and

WHEREAS, Contractor desires to contract with Sherman to provide such judicial services as the presiding judge for the Sherman Municipal Court under the terms and conditions of this Agreement; and

WHEREAS, Contractor represents and warrants that through education and experience, Contractor possesses the requisite skills to provide such judicial services in a professional and competent manner; and

WHEREAS, Sherman and Contractor acknowledge and agree that this Agreement is not an employment agreement and does not establish a relationship of employer and employee between Sherman and Contractor, but defines a relationship between the parties wherein the Contractor is in fact an independent contractor of Sherman; and

WHEREAS, Contractor reserves independence to act within the limits imposed by law and professional obligations such that Sherman's objectives during the term of this Agreement will be furthered through means the Contractor considers appropriate in accordance with Contractor's professional obligations and as may be required by the Texas Code of Judicial Conduct and other applicable rules and regulations.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Scope of Services. Contractor shall provide judicial services as the presiding judge in Sherman Municipal Court and shall furnish all labor, equipment, supplies and all other items necessary to provide the services and deliverables as specified by the terms and conditions of this Agreement (collectively, "Services"). The Services include, but are not limited to, the following:

    (a) Hearing and consideration of cases and other matters scheduled and assigned to Contractor in the Sherman Municipal Court;

    (b) Presiding over Sherman Municipal Court dockets, including pretrial conferences, pretrial hearings, plea and arraignments proceedings, trials and other proceedings scheduled and assigned to Contractor in the Sherman Municipal Court;

(c) Issuing appropriate rulings and orders in cases and other matters scheduled and assigned to Contractor in the Sherman Municipal Court;

(d) Perform magistrate, arraignment and warrant duties scheduled and assigned to Contractor;

(e) Communicating with Sherman Municipal Court staff, judges, prosecuting and defending attorneys, defendants and other participants in cases and other matters scheduled and assigned to Contractor in the Sherman Municipal Court;

(f) Establishing the times and days for the court dockets;

(g) Performing such other functions within Sherman Municipal Court normally required of a municipal court presiding judge; and

(h) Providing Sherman timely updates regarding changes in the scope and nature of the Services provided hereunder that may affect operations, policies or activities of Sherman Municipal Court and making recommendations on improving the quality and efficiency of the Services provided hereunder.

Contractor shall perform the Services at the dockets to which he/she may be scheduled. If Contractor is unavailable to complete these Services, it shall be the duty of Contractor to seek an alternative method of fulfilling these duties through another Sherman-appointed Judge.

2. Term; Termination. The term of this Agreement shall commence on the Effective Date (hereinafter defined) of this Agreement and shall continue in effect until August 6, 2025 unless terminated earlier in accordance with this Agreement or the City Charter. Sherman shall have the option to extend this Agreement for additional terms of two (w) years each on the same terms and conditions by giving Contractor written notice of its intent to extend prior to the expiration of the then-current two (2) year term, provided that the City Council has re-appointed Contractor as the presiding judge in accordance with Article IV, Section 44 of the City Charter. Sherman is entitled to terminate this Agreement at any time for any reason or for no reason by giving Contractor written notice of termination, removal or non-appointment. Contractor is entitled to terminate this Agreement at any time for any reason or for no reason by giving Sherman at least thirty (30) days' prior written notice of the termination date.

3. Compensation; Billing. In exchange for Contractor's provision of the Services as described in this Agreement, Sherman agrees to pay Contractor at the rate of $2,200.00 per month of work actually performed by Contractor under this Agreement. In addition, Sherman agrees to pay Contractor $175.00 for the extra work required to respond to calls from the Sherman Police Department and $300.00 for each Jury Trial. No additional compensation shall be due to Contractor for any travel to or from Sherman or for travel to any hearings, trials or other proceedings.

Contractor shall submit monthly invoices to Sherman for Search Warrant and Jury Trial Services actually provided by Contractor in accordance with this Agreement No invoice is required for Services included in monthly rate of $2,200.00 All invoices shall be submitted as soon as possible after the end of each calendar month, but in no event later than the fifth (5th) day of the next calendar month. Invoices and monthly compensation at $2,200.00 are payable by Sherman within thirty (30) business days of Sherman's receipt of each such invoice or last day of the month in the case of the monthly rate, unless a dispute arises as to any charge contained in the invoice, in which case Sherman shall pay the undisputed amount of the invoice as provided above and shall pay the remaining amount, if any, after resolution of the dispute as soon after resolution as is reasonable provided. Notwithstanding anything to the contrary herein, Sherman shall not be required to pay any invoice submitted by Contractor if Contractor is in breach of this Agreement.

As an appointed official, Contractor agrees to perform the service required by the position of presiding judge and is not limited to or guaranteed a preset number of hours per week or per month to perform such services. Contractor is expected to engage in those hours of work which are necessary to fulfill the obligations of Contractor's position. Contractor acknowledges that the proper performance of duties as presiding judge will often require the performance of necessary services at times and for extended periods other than as scheduled. Contractor agrees to devote such additional time as is necessary for the full and proper performance of duties and that the compensation herein provided for includes compensation for the performance of all such Services.

4. Cooperation. Contractor acknowledges that Sherman is entitled, in its sole discretion, to contract with and/or assign other judges to provide the same or similar judicial services for Sherman Municipal Court, and Contractor agrees to fully cooperate with Sherman and any such other judges in this regard, including but not limited to, coordinating the scheduling and coverage of the dockets and other needs of Sherman Municipal Court.

5. Conflicts. Sherman recognizes that Contractor may represent clients as an attorney. During the term of this Agreement, Contractor shall not represent any person or entity or otherwise engage in the practice of law in a matter directly adverse to Sherman, in an adversarial capacity before the Sherman City Council or any of its courts, agencies, boards or commissions, or in a matter that Sherman determines is adverse to the interests of Sherman. Further, Contractor represents that Contractor does not have any personal, business or financial interests or relationships which would cause a reasonable individual with knowledge of the relevant facts to question the integrity or impartiality of Contractor in performing the Services. Contractor shall evaluate on an ongoing basis whether, in Contractor's professional judgment, a conflict may become apparent or imminent. In the event that Contractor believes a conflict may develop or has developed, Contractor shall immediately communicate with Sherman about the perceived potential conflict.

6. Professional Obligations. Contractor must complete the minimum number of hours of instruction annually in the performance of the duties of a municipal court presiding judge as required by the laws of the State of Texas and any applicable rule or statute. Contractor shall ensure that official copies of records documenting such training shall be kept and

maintained at all times. The Contractor shall provide proof of current certification from the State Bar of Texas on October 1 of each year during the term of this Agreement.

7. Entire Agreement. This Agreement contains all representations, understandings, contracts and agreements between the parties regarding the subject matter of this Agreement. This Agreement supersedes all oral or written previous and contemporaneous agreements, writings, understandings, representations or contracts between the parties regarding the subject matter of this Agreement. No amendment to this Agreement shall be made except on the written agreement of the parties, which shall not be construed to release either party from any obligation of this Agreement except as specifically provided for in such amendment.

8. No Supervisory Capacity. Contractor acknowledges that the clerks of the Sherman Municipal Court are supervised by the City Manager as administrative employees and that Municipal Court prosecutors are supervised by the City Attorney. Contractor does not serve in a supervisory role as to any of these or other employees of Sherman except with regard to judicial procedures of the court. However, he/she shall consult with the appropriate department head or City Manager concerning needed improvements or problems that come to his/her attention through his/her service under this Agreement.

9. No Prohibited Interest. Contractor acknowledges and agrees that it is aware of, and will abide by, the no prohibited interest requirement of Sherman City Charter. Contractor acknowledges and agrees that the existence of a prohibited interest during the term of this Agreement will render this Agreement voidable.

10. Liability. To the fullest extent permitted by law, Contractor shall be fully and solely responsible and liable for Contractor's own acts and omissions and for any and all damage to Contractor's equipment and other property. Sherman assumes no such responsibility or liability. Sherman shall have no such responsibility or liability to Contractor.

11. Compliance with Laws. Contractor shall comply with all federal, state and local laws, statutes, ordinances, regulations and policies, as they exist, may be amended or in the future arising, applicable to Contractor and its work under this Agreement. If Contractor observes or is notified that the work under this Agreement is at variance with applicable laws, statutes, ordinances, regulations and policies, Contractor shall immediately notify Sherman in writing.

12. Assignment. Contractor agrees that neither this Agreement nor the work to be performed hereunder will be assigned or sublet without the prior written consent of Sherman.

13. Savings/Severability. 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.

14. Consideration. This Agreement is executed by the parties without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

15. Attorneys' Fees. If either party files any action or brings any proceeding against the other arising from this Agreement, then as between Sherman 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.

16. Governing Law; Venue. 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 Collin County, Texas.

17. No Waiver. 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.

18. Headings. The headings of the various sections of this Agreement are included solely for convenience of reference and are not to be full or accurate descriptions of the content thereof.

19. Notice. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing the same in the United States Mail, addressed to the party to be notified, postage pre-paid and registered or certified with return receipt requested; by electronic mail, with documentation evidencing the addressee's receipt thereof; or by delivering the same in person to such party a via hand-delivery service, or to any courier service that provides a return receipt showing the date of actual delivery of the same to the addressee thereof. Notice given in accordance herewith shall be effective on receipt at the address of the addressee. For purposes of notification, the addresses of the parties shall be as follows:

If to Contractor, to: Thomas Scott Smith
P.O. Box 354
Sherman, TX 75091-0354

Telephone: _903-868-8686_____
Email: Scottsmithlawyer@gmail.com_

If to Sherman, to: City of Sherman
Attn: City Manager_____

Sherman, Texas
Email: robbyh@cityofsherman.comWith a copy to:
Abernathy, Roeder, Boyd & Hullett, P.C.
Attn.: Ryan D. Pittman

1700 Redbud Blvd., Suite 300
McKinney, Texas 75069
Telephone: (214) 544-4000
Facsimile: (214) 544-4054
Email: rpittman@abernathy-law.com

20. Representations. Each party states that it has carefully read this Agreement, knows the contents hereof, has consulted with an attorney of its choice regarding the meaning and effect hereof and is signing the same solely of its own judgment.

21. Independent Contractor. Contractor covenants and agrees that Contractor is an independent contractor and not an officer, agent, servant or employee of Sherman; 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 Sherman and Contractor; and that nothing herein shall be construed as creating a partnership or joint enterprise between Sherman and Contractor. Neither Contractor nor his agents or employees shall be deemed to be an employee of Sherman for any purpose whatsoever. Contractor shall not be eligible to participate in any benefit program provided by Sherman for its employees. Contractor shall be exclusively responsible for the payment of his/her own taxes, withholding payments, penalties, fees, fringe benefits, contributions to insurance and pension or other deferred compensation plans, including but not limited to worker's compensation and Social Security obligations, professional fees or dues. Sherman may arrange to provide space for Contractor to use to facilitate access to the Municipal Court staff and others. The provision of space is not compensation, nor does it change the nature of the relationship from that of independent contractor. Contractor agrees to make use of the space, if any, as an accommodation to Sherman and only to conduct business in accordance with this Agreement.

22. Incorporation of Recitals. The representations, covenants and recitations set forth in the foregoing recitals of this Agreement are true and correct and are hereby incorporated into the body of this Agreement and adopted as findings of the authorized representatives of Sherman and Contractor.

23. Miscellaneous Drafting Provisions. 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.

24. No Waiver of Immunity. The parties acknowledge and agree that, in executing and performing this Agreement, Sherman 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

25. Chapter 2270 Certification. In accordance with Chapter 2270 of the Texas Government Code, Contractor hereby certifies that Contractor (a) does not boycott Israel; and (b) will not boycott Israel during the term of any contract with Sherman, including during the term of this Agreement.

26. Multiple Counterparts. 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.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective when all the parties have signed it. 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 ("Effective Date").

CITY OF SHERMAN, TEXAS

By: _____
Printed Name: Robby Hefton
Title: City Manager
Date: 8·10·2023

_____

By: _____
Printed Name: Scott Smith
Date: June 12, 2023

ORDINANCE NO. 6141

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 7 OF THE CODE OF ORDINANCES, ENTITLED "MUNICIPAL COURT", CREATING A NEW ARTICLE 7.04 TO BE ENTITLED "MUNICIPAL COURT OF RECORD"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That Chapter 7 of the Code of Ordinances of the City of Sherman, Texas, entitled "Municipal Court", be and is hereby amended by adding a new Article 7.04, such article to read as follows:

ARTICLE 7.04 MUNICIPAL COURT OF RECORD

Division 1. Generally

Sec. 7.04.001 Creation and name

(a) The City Council hereby finds and determines that the creation of a municipal court of record is necessary to provide a more efficient disposition of cases arising within the City.

(b) The City Council hereby creates a municipal court of record to be known as the "Municipal Court of Record for the City of Sherman, Texas".

(c) The City Council hereby adopts state law regarding municipal courts of records, as amended, and to the extent that this article conflicts with state law, state law shall govern.

Sec. 7.04.002 Seal of the court

The City Council shall provide the court of record with a seal. The seal's appearance and use shall substantially conform to Vernon's Ann. C.C.P. art. 45.02. The seal shall include the following phrase: "Municipal Court of/in the City of Sherman, Texas".

Sec. 7.04.003 Jurisdiction

The municipal court of record, as created herein, shall exercise the entire jurisdiction conferred upon the judge and municipal court by the ordinances of the City and the Constitution and laws of the state. The municipal court shall have jurisdiction as follows:

(1) *General jurisdiction as provided by V.T.C.A., Texas Government Code § 30.00005, as amended;*

(2) *Concurrent jurisdiction with a district court or a county court at law under V.T.C.A., Texas Government Code Chapter 54, Subchapter B, within the City's territorial limits and property owned by the City located in the City's extraterritorial jurisdiction for the purpose of enforcing health and safety and nuisance abatement ordinances;*

(3) *Civil jurisdiction for the purpose of enforcing municipal ordinances enacted under V.T.C.A., Texas Local Government Code Chapter 214, Subchapter A; or V.T.C.A., Texas Transportation Code Chapter 683, Subchapter E;*

(4) *Authority to issue:*

a. *Search warrants for the purpose of investigating a health and safety or nuisance abatement ordinance violation; and*

b. *Seizure warrants for the purpose of securing, removing or demolishing the offending property and removing the debris from the premises.*

(5) *Over the forfeiture and collection of bonds given in proceedings therein, and to order the forfeiture of cash acceptance bonds upon failure of the defendant to appear, and to accept same in lieu of a fine;*

(6) *Over cases involving a license or permit granted by the City for any calling, occupation, business or vocation. In addition to the punishment to be imposed therefore, the court may suspend or revoke the license or permit so granted;*

(7) *To enforce all process of the court in accordance with state law and City ordinance, punish witnesses for failing to obey subpoenas, and compel their attendance by process of attachment;*

(8) *To punish for contempt, admit to bail and forfeit bonds under such circumstances and as provided by county courts, or county courts exercising criminal jurisdiction only; and*

(9) *Over all other matters and cases provided for by state law, City ordinance and the City's Home-Rule Charter.*

Sec. 7.04.004 Collection fee

(a) *A collection fee is hereby authorized and imposed, as provided by V.T.C.A., § 102.0031, in the amount of 30 percent of debts and accounts receivable, such as unpaid fines, fees, court costs, forfeited bonds or restitution ordered paid by a municipal court of record serving the City when such debt or account receivable is*

more than 60 days past due and has been referred to an attorney or private vendor for collection; and

(b) *A collection fee is hereby authorized and imposed, as provided by V.T.C.A., Texas Criminal Procedure Code § 102.0031, in the amount of 30 percent of amounts in cases in which the accused has failed to appear:*

(1) *As promised under V.T.C.A., Texas Transportation Code Chapter 543, Subchapter A, or other law;*

(2) *In compliance with a lawful written notice to appear issued under V.T.C.A., Texas Criminal Procedure Code § 14.06(b) or other law;*

(3) *In compliance with a lawful summons issued under V.T.C.A., Texas Criminal Procedure Code § 15.03(b);*

(4) *In compliance with a lawful order of a court serving the City; or*

(5) *As specified in a citation, summons, or other notice authorized by V.T.C.A., Texas Transportation Code § 682.002, that charges the accused with a parking or stopping offense, when such amounts are more than 60 days past due and have been referred to an attorney or private vendor for collection.*

Division 2. Municipal Judges

Sec. 7.04.005 Appointment of judge or judges

(a) *Generally*

(1) *The municipal court of the City shall be presided over by the Municipal Court Judge, appointed according to Article IV, Section 4 of the City's Home Rule Charter.*

(2) *One or more alternate judges may be appointed according to the City Charter.*

(3) *Biennially in June of each odd-numbered year, the City Council shall appoint one or more municipal judges in accordance with the City's Home Rule Charter.*

(4) *A judge shall hold office for two years from the date of appointment or until his successor is appointed and qualified, unless sooner removed by the City Council, pursuant to Section 7.04.005 of this Article.*

(5) *In the event of any vacancy in the office of a municipal judge by death, resignation or otherwise, the City Council shall appoint a qualified attorney to fill the unexpired term as municipal judge.*

(6) *A person may not serve as a municipal judge if the person is employed by the City. A municipal judge who accepts employment with the City vacates his position as municipal judge.*

(7) *Each municipal court judge shall devote as much time to the office as necessary.*

(b) *The presiding judge shall:*

(1) *Be the administrative head of the judiciary of the City;*

(2) *Maintain a central docket for cases filed within the territorial limits of the City over which the municipal court of record has jurisdiction;*

(3) *Provide for the distribution of cases from the central docket to the individual municipal judges to equalize the distribution of business in the courts;*

(4) *Request the jurors needed for cases that are set for trial by jury;*

(5) *Supervise and control the operation and functions of the proceedings of the court, specifically those operations relating to courtroom processes; however, the judge shall not supervise any court personnel;*

(6) *Promulgate work rules concerning the administration of the court dockets, the times and places for holding court, equalizing of the case assignments, the vacation schedules and other administrative details concerned with the judicial performance of the municipal court ("rules"), which rules shall be submitted to the city manager and city attorney for comment prior to adoption by the City Council;*

(7) *Be responsible to see that the rules are adhered to by the court; and*

Sec. 7.04.006 Salary

A municipal judge is entitled to a salary, the amount of which shall be determined by the City Council. The amount of a judge's salary may not be diminished during the judge's term of office. Further, the amount of the municipal court judge's salary shall not be based directly or indirectly on fines, fees or costs collected by the court of record.

Sec. 7.04.007 Powers and duties

The municipal judge shall take judicial notice of state law and the ordinances and corporate limits of the City. The municipal judge shall have all powers assigned by state law, including the power to grant writs of mandamus, attachment and other writs necessary to the enforcement of the jurisdiction of the court of record and may issue writs of habeas corpus in cases in which the offense charged is within the jurisdiction of the court of record. The municipal judge is a magistrate and may issue administrative search warrants.

Sec. 7.04.008 Removal of judge

A municipal judge may be removed from office at any time for the reasons stated and consistent with V.T.C.A., Texas Government Code § 30.000085, as amended.

Division 3. Court Clerk and Court Personnel

Sec. 7.04.009 Clerk of court

(a) There shall be a clerk of the municipal court of record. Said clerk shall have the power to and shall perform all things and acts usual and necessary to be performed by clerks of court in issuing process of said court and conducting the business thereof, and such other duties as may be prescribed by ordinance of the City Council.

(b) The clerk of the municipal court shall keep the records of the municipal courts of record, issue process, and generally perform the duties that a clerk of a county court at law exercising criminal jurisdiction performs for that court. In addition, the clerk shall maintain an index of all court judgments in the same manner as county clerks are required by law to prepare for criminal cases arising in county courts.

(c) The clerk of the municipal court shall be subject to the personnel rules and regulations applicable to all City employees and may be removed at will.

Sec. 7.04.010 Other court personnel

The City Council may provide deputy clerks, warrant officers and other personnel as needed for the proper operation of the municipal court of record. Such individuals shall perform their duties under the direction and control of the presiding judge during times when court is in session.

Division 4. Rules of Procedure

Article 7.04.011 Recording of court proceedings

All proceedings before the municipal court of record, to the extent requested, shall be recorded by use of a good quality electronic recording device. This shall be the primary method for the recording of proceedings utilized by the municipal court of record. No recording shall be made unless the municipal judge, or one of the parties to the proceedings, requests a record. As an

alternative to the electronic recording device, proceedings shall be recorded by an official court reporter appointed by the City Council. The record of the proceedings shall be kept by the clerk of court if an electronic recording device is used, or by the court reporter in cases where the court reporter records the proceedings, for the 20-day period beginning the day after the last day of the court proceeding, trial or denial of motion for new trial, whichever occurs last. If a case is appealed, the proceedings shall be transcribed from the recording by a court reporter appointed by the City.

Sec. 7.04.012 Court reporter; duties; compensation

The City Council shall appoint one or more court reporters to preserve a record in cases tried before the municipal court of record in which the proceedings are not recorded by a good quality recording device. The court reporter must meet the qualifications provided by law for official court reporters. The court reporter may use written notes, transcribing equipment, video or audio recording equipment, or a combination of those methods to record the proceedings of the court. The court reporter shall keep the record for the 20-day period beginning the day after the last day of the proceeding, trial or denial of motion for new trial, or until any appeal is final, whichever occurs last. The court reporter shall not be required to record testimony or any proceeding in a case unless the municipal judge or one of the parties requests a record. The party requesting the services of the official court reporter shall bear the cost of those services. When an electronic recording device is being used to record the proceedings, it is not necessary to have a court reporter present to record the proceedings or to certify the statement of facts. The city manager shall set the compensation of the court reporter.

Sec. 7.04.013 Transcript preparation fee

The City Council hereby establishes a transcript preparation fee in the amount of $25.00. This fee does not include the fee for an actual transcript of the proceedings. The party requesting an actual transcript must pay the transcript preparation fee and the fee for an actual transcript of the proceedings. The fee for a transcript shall include the actual cost, as invoiced by the court reporter, for transcribing the recorded proceedings and the cost for copies.

Sec. 7.04.014 Prosecutions

All prosecutions in the municipal court of record shall be conducted as provided by V.T.C.A., Texas Criminal Procedure Code § 45.03, as amended.

Division 5. Appeals

Sec. 7.04.015 Generally

A defendant has the right to appeal from a judgment or conviction in the municipal court of record, as provided by V.T.C.A., Texas Government Code § 30.00014, as amended. The state has the right to appeal from a judgment in the court of record in the manner provided for by V.T.C.A., Texas Criminal Procedure Code § 44.01, as amended. The appropriate county court of Grayson County, Texas, shall have jurisdiction of appeals from the court of record. All

appeals shall be conducted in the manner provided for by V.T.C.A., Texas Government Code Chapter 30, as amended. Upon the enactment of this article, all cases for offenses alleged to have been committed on or after September 1, 2018, shall be appealed in accordance with V.T.C.A., Texas Government Code Chapter 30, as amended. An offense committed before September 1, 2018, shall be appealed in accordance with the law in effect before such date.

Sec. 7.04.016 Perfecting right to appeal

(a) The City Council specifically adopts state law, as amended, relative to appeals.

(b) In order to perfect a right to appeal, the appellant must file a written motion for new trial with the clerk of court and must also give notice of the appeal to the appellee and to the court.

(c) The written motion for new trial must be filed with the clerk of court not later than the tenth day after the date on which judgment is rendered. The motion must set forth the points of error of which the appellant complains. The motion or amended motion may be amended with leave of court at any time before action on the motion is taken, but may not be amended later than the 20th day after the date on which the original or amended motion is filed. The court may for good cause extend the time for filing or amending, but the extension may not exceed 90 days from the original filing deadline. If the court does not act on the motion before the expiration of the 30 days allowed for determination of the motion, the original or amended motion is overruled by operation of law.

(d) If the appellant requests a hearing on the motion for new trial, the appellant may give the notice of appeal orally in open court after the motion is overruled. If there is no hearing, the appellant must file the notice with the court not later than the tenth day after the date on which the motion is overruled. The court may for good cause extend the time period for providing notice; however, the extension shall not exceed 90 days from the original filing deadline. If the defendant is in custody, the appeal is perfected when the notice of appeal is given as provided by V.T.C.A., Texas Criminal Procedure Code § 44.13, as amended.

Sec. 7.04.017 Appeal bond

If the defendant is not in custody, the defendant may not take an appeal until the defendant files an appeal bond with the municipal court of record. The bond must be approved by the court and must be filed not later than the tenth day after the date on which the motion for new trial is overruled. The appeal bond must be in the amount of $100.00 or double the amount of the fines and costs adjudged against the defendant, whichever is greater. The bond must state that the defendant was convicted in the case and has appealed and must be conditioned on the defendant's immediate and daily personal appearance in the court to which the appeal is taken. If the defendant is in custody, the defendant shall be committed to jail unless the defendant posts the appeal bond.

Sec. 7.04.018 Record

(a) *The record on appeal must substantially conform to the provisions relating to the preparation of a record on appeal in the Texas Rules of Appellate Procedure and the Texas Code of Criminal Procedure, as amended.*

(b) *Not later than the 60th day after the date on which the notice of appeal is given or filed, the parties must file with the clerk of court the statement of facts; a written description of material to be included in the transcript in addition to the required material; and any material to be included in the transcript that is not in the custody of the clerk of court. Upon completion of the record, the municipal judge shall approve the record in the manner provided for record completion, approval and notification in the court of appeals. After the municipal judge approves the record, the clerk of court shall promptly send the record to the appellate court clerk for filing. V.T.C.A., Government Code § 30.00020, as amended, charges the appellate court clerk with the responsibility of notifying the defendant and the prosecuting attorney that the record has been filed.*

Sec. 7.04.019 Statement of facts

The statement of facts must substantially conform to the provisions relating to the preparation of a statement of facts in the Texas Rules of Appellate Procedure and the Texas Code of Criminal Procedure, as amended. The appellant shall pay for the statement of facts.

Sec. 7.04.020 Transcript

The transcript must substantially conform to the provisions relating to the preparation of a transcript in the Texas Rules of Appellate Procedure and the Texas Code of Criminal Procedure, as amended.

Sec. 7.04.021 Bills of exception

Bills of exception must substantially conform to the provisions relating to the preparation of bills of exception in the Texas Rules of Appellate Procedure and the Texas Code of Criminal Procedure, as amended.

Sec. 7.04.022 Brief

(a) *Both the appellant and the appellee are required to file briefs with the appellate court clerk. Each party, on the filing of the party's brief with the appellate court clerk, shall deliver a copy of the brief to the opposing party and to the municipal judge. The record and the brief, on appeal, shall be limited as far as possible to the questions relied on for reversal. The municipal judge shall decide from the briefs of the parties whether the appellant should be permitted to withdraw the notice of appeal and be granted a new trial by the court of record. The court of record may grant a new trial at any time before the record is filed with the appellate court.*

(b) *The appellant must file a brief with the appellate court clerk not later than the 15th day after the date on which the transcript and statement of facts are filed with that clerk. The appellant or the appellant's attorney must certify that the brief has been properly mailed to the appellee.*

(c) *The appellee must file its brief with the appellate clerk not later than the 15th day on which the appellant's brief is filed.*

SECTION 2. That it is the intention of the City Council of the City of Sherman, Texas, that the provisions of this ordinance shall become a part of the Code of Ordinances of the City of Sherman, Texas, and that sections of this ordinance may be renumbered or re-lettered to accomplish such intention.

SECTION 3. That the provisions of this ordinance are severable and the invalidity of any word, phrase or part of this ordinance shall not affect the validity of effectiveness of the remainder of the ordinance.

SECTION 4. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 5. That it is hereby officially found and determined that the meetings at which this ordinance was introduced and passed were open to the public and that public notice of the time, place and purpose of said meetings were given all as required by law.

INTRODUCED on this the 6th day of August, 2018.

ADOPTED on this the 6th day of August, 2018.

EFFECTIVE DATE on this the 6th day of August, 2018.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

BY: DPR
DAVID PLYLER, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY:
BRANDON S SHELBY, CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. D.5.

Meeting Date: 9/2/2025

Prepared By: Mary Lawrence, Chief Financial Officer

Approved By: Zachary Flores, Acting City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6867

Approving a Negotiated Settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division, Regarding the Company's 2025 Rate Review Mechanism Filing; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement; Finding the Rates to be Set by the Attached Settlement Tariffs to be Just and Reasonable and in the Public Interest; Approving an Attachment Establishing a Benchmark for Pensions and Retiree Medical Benefits; Requiring the Company to Reimburse ACSC's Reasonable Ratemaking Expenses; Adopting a Savings Clause. Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and the ACSC's Legal Council.

Issue:

Ratification of a Negotiated Settlement Between Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company")

Background:

The Rate Review Mechanism ("RRM") tariff was approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. The RRM allows cities to conduct a more comprehensive review of all the information regarding changes to Atmos's revenues and expenses, as well as its invested capital. On or about April 1, 2025, Atmos filed a rate request pursuant to the RRM Tariff adopted by ACSC members. ACSC and Atmos have reached a negotiated resolution addressing Atmos's filing (the 2025 RRM rate increase) pursuant to the RRM Tariff.

The Ordinance reflects the negotiated settlement of Atmos's 2025 RRM filing, In its filing, the Company requested a rate increase of $245.2 million on a system-wide basis. This was reduced to $225.6 million due to limitations in the RRM tariff. Our consultants conducted discovery and prepared a report detailing additional adjustments totaling $ 40 million. This translates into a $ 185.6 million increase (i.e. 225.6 – 40 = 185.6). The Company has agreed to settle the case for $ 205.6 million. This is a reduction of $20 million to the Company's request.

The ACSC General Counsel recommends the City adopt the proposed ordinance approving the negotiated settlement resolving the 2025 RRM filing and implementing the rate changes to take effect October 1, 2025.

Capital Improvement Program:

Origination:

Thomas Brocato, General Counsel to the ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C.

Financial Consideration:
Approval of this ordinance will result in rates that implement a $205.6 million increase in Atmos's revenues effective October 1, 2025, and a monthly increase of $7.83 or about 9.27% for the average residential customer, and a monthly increase of $25.73 or about 6.56% for the average commercial customer

Staff Recommendation:
It is recommended that the City Council adopt the ordinance and approve the Negotiated Settlement with Atmos Mid-Tex.

Alternatives:
As the ACSC Negotiation Team has negotiated the most beneficial settlement, no other alternatives are recommended.

Attachments:
1. Ordinance No. 6867
2. Attachment 1 - Tariffs
3. Attachment 2 - Pension Benchmark
4. Staff Report
5. Average Bill

ORDINANCE NO. 6867

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2025 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

WHEREAS, the City of Sherman, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of similarly-situated cities served by Atmos Mid-Tex ("ACSC Cities") that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2025, Atmos Mid-Tex filed its 2025 RRM rate request with ACSC Cities based on a test year ending December 31, 2024; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2025 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of $205.6 million on a system-wide basis with an Effective Date of October 1, 2025; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications.

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

Section 1. That the findings set forth in this Ordinance are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of $205.6 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2025 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $205.6 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2025 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 8. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2025.

Section 11. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

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

INTRODUCED on this the 2nd day of September 2025.

ADOPTED on this the 2nd day of September 2025.

EFFECTIVE DATE on this the 2nd day of September 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN C. TEMANNN, MAYOR

ATTEST:

BY: _____
LEAH ROBERT,
EXEC. DIR. OF ADMINISTRATION/
ACTING CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Application
Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 23.65 per month
Rider CEE Surcharge	$ 0.03 per month[1]
Total Customer Charge	$ 23.68 per month
Commodity Charge – All Ccf	$ 0.74748 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

[1]Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2025.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**C – COMMERCIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Application
Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 94.00 per month
Rider CEE Surcharge	$ 0.01 per month[1]
Total Customer Charge	$ 94.01 per month
Commodity Charge – All Ccf	$ 0.22261 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

[1] Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2025.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 1,848.75 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.7678 per MMBtu
Next 3,500 MMBtu	$ 0.5623 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1206 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Application
Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate T.

Type of Service
Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 1,848.75 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.7678 per MMBtu
Next 3,500 MMBtu	$ 0.5623 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1206 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Imbalance Fees
All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees
Customer shall pay Company the greater of (i) $0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Overpull Fee
Upon notification by Company of an event of interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement
A transportation agreement is required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Application

This Rider is applicable to customer classes in the incorporated areas under the RRM tariff as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

FASB ASC 740-10 (Fin48) Refund

Applicable to Customers taking service under Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from the negotiated RRM Tariff, and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-1.1 for the prior fiscal year shall be allocated based on the final class allocations of GUD No. 10170 as per the RRM Tariff, divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Railroad Commission of Texas, and if applicable, the gas utility shall be required to reconcile any discrepancies.

The following refund as authorized in the most recent negotiated RRM Tariff shall be refunded to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (0.12)
Rate C – Commercial Sales	$ (0.41)
Rate I – Industrial Sales	$ (8.68)
Rate T – Transportation	$ (8.68)

RIDER:	**TAX – TAX ADJUSTMENT**	
APPLICABLE TO:	**Entire Division as Set Forth Below**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	**PAGE:**

Application

Applicable to Customers taking service under Rate R, Rate C, Rate I, and Rate T, except for exempt State Agency Customers, to the extent of state gross receipts taxes only.

1. **State Gross Receipts Taxes**

Applicability - Entire Division except for Unincorporated Areas

Each monthly bill shall be adjusted for Miscellaneous state gross receipts taxes imposed by Sections 182-021 - 182-025 of the Texas Tax Code.

Entire Division

Each monthly bill shall also be adjusted by an amount equivalent to the amount of all applicable taxes and any other governmental impositions, rentals, fees, or charges (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed upon or allocated to Company with respect to the Gas Service provided to Customer by Company, and any associated facilities involved in the performance of such Gas Service. Each monthly bill shall also be adjusted by an amount equivalent to the proportionate part of any increase or decrease of any tax and any other governmental imposition, rental, fee, or charge (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed subsequent to the effective date of this tariff, upon or allocated to Company's operations, by any new or amended law, ordinance, or contract.

2. **Federal or State Tax Law or Rate Changes:**

Applicability – All Customers in the Mid-Tex Division ("MTX") Under the RRM Tariff

Applicable to Customers taking service under Rate R, Rate C, Rate I, and Rate T.

To ensure that gas utility customers receive the benefits or costs associated with the changes in tax rates at a federal or state level, MTX shall establish and accrue on its books and records, as of the effective date of the federal or state tax law or rate change: 1) regulatory liabilities to reflect the impact of a decrease in federal corporate income tax rates or state margin tax rates; or, 2) regulatory assets to reflect the impact of an increase in federal corporate income tax rates or state margin tax rates.

The gas utility may not change rates to give effect to a change in Federal or State Tax law or rates through the Rider TAX unless and until the city issues final authorization, an Accounting Order, or other express guidance authorizing such recovery through the RRM process.

Company may also not change rates to capture the impacts associated with the effects of Public Law 117-169, 136 STAT. 1818 of August 16, 2022 ("Tax Act 2022") and certain other tax-related costs that will change from the amounts included in the most recent base revenue requirement established through an RRM filing unless and until the city issues a final authorization, an Accounting Order, or other express guidance authorizing such recovery.

Upon receipt of authorization from the city through an Accounting Order, final authorization or other express guidance, the calculation applicable to the aforementioned federal or state tax rate or law changes are as follows; however, to the extent there is a conflict between the calculation or methodology

prescribed by an Accounting Order, final authorization, or other express guidance, and those contained in this rate schedule, the Accounting Order, final authorization, or other express guidance controls:

Calculations

1. With regard to changes in the tax rates at a federal or state level, the increase or decrease shall be calculated as follows:

    a. A portion of the gas utility's revenue representing the difference between: 1) the cost of service as approved by the Commission or the applicable regulatory authority in the gas utility's most recent statement of intent or other rate proceeding, and 2) the cost of service that would have resulted had the rates been based on the new federal income tax rate (increase or decrease) or state margin taxes (increase or decrease), as of the effective date of the change;
    b. If applicable, the portion of the gas utility's revenue representing the difference between: 1) each Interim Rate Adjustment surcharge approved by the regulatory authority since the gas utility's most recent statement of intent or other rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the surcharges been based on the new federal income tax rate (increase or decrease) or state margin taxes (increase or decrease), as of the effective date of the change; and
    c. The excess or deficient deferred tax reserve, including any associated gross up in taxes, caused by the reduction or increase in the federal corporate income tax rate or state related tax increases, as of the effective date of the change.

Upon the receipt of authorization from the Commission or applicable regulatory authority, the gas utility shall separately refund to customers based on a decrease in federal or state tax rates or separately collect from customers based on an increase in federal or state tax rates within twelve (12) months or, pursuant to applicable Internal Revenue Code ("IRC") rules and regulations, as follows:

    d. The amount collected/refunded by the gas utility that reflects the difference in base rates between: 1) the cost of service approved by the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes.
    e. If applicable, the amount collected/refunded by the gas utility that reflects the difference between: 1) each Interim Rate Adjustment surcharge approved by the Commission or the regulatory authority since the gas utility's most recent statement of intent rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes.
    f. The amount collected/refunded by the gas utility that reflects the difference in the excess or deficient deferred tax reserve included in base rates between: 1) the cost of service approved by the Commission or the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes. These amounts shall be refunded or collected from customers based upon IRC rules and regulations if applicable.

2. With regard to the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement established through an RRM filing, any change in rates shall be calculated as follows:

   (a) The amount shall be calculated as the product of Company's grossed-up rate of return authorized in the cost of service as approved by the Commission or the applicable regulatory authority in the gas utility's most recent statement of intent or other rate proceeding times the Corporate Alternative Minimum Tax deferred tax asset ("CAMT DTA") estimated at September 30 of the fiscal year or applicable quarter-end within a fiscal year prior to the annual change in the rates pursuant to this tariff, less the income tax credits received in accordance with IRC requirements applicable to the Tax Act 2022 grossed-up for income taxes to a revenue equivalent.

   (b) The estimated CAMT DTA and the related effects on the rider revenue requirements shall be trued up to the actual effects in the following year and the over/under recovery amortized over the twelve months that each year's recalculated tariff rates are in effect. The over/under recovery shall include a grossed-up rate of return as authorized in Company's most recent statement of intent or other rate proceeding.

   (c) The methodology for computing Company's CAMT is as follows:

      i. Confirm when Atmos Energy Corporation and its affiliates are subject to CAMT as an "applicable corporation" as defined the Tax Act 2022, then there will be MTX's CAMT DTA in the tariff.

      ii. Calculate the Mid-Tex Division's (MTX) contribution to Adjusted Financial Statement Income ("AFSI") on a stand-alone basis. MTX's AFSI is calculated by adjusting MTX's applicable financial statement income by adjustments to depreciation, pension costs and federal income tax to arrive at AFSI. AFSI is intended to be computed consistent with applicable IRC requirements.

      iii. Compare MTX's CAMT stand-alone amount with MTX's regular stand-alone tax liability. If the stand alone CAMT is in excess of the stand-alone regular tax, the CAMT DTA is recorded to MTX.

If the Internal Revenue Service issues new guidance related to the Tax Act 2022, Company shall have the right to make additional filings to recognize such adjustments.

Any Commission filing made to give effect to Federal or State Tax Law or Rate Changes shall be filed within 12-months following the enactment of a tax rate change with the Commission's Oversight and Safety Division or as part of a Statement of Intent.

Any city filing made to give effect to Federal or State Tax Law or Rate Changes shall be filed within 12-months following the enactment of a tax rate change and addressed to the city official at the address of record with the Mid-Tex Division.

With the exception of the authorization required from the Commission to allow the gas utility to recognize the new federal income tax rate (increase or decrease) or state taxes (increase or decrease) or the impacts associated with the effects of the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement in the last approved RRM Tariff filing, no action on the part of the regulatory authority is required to give effect to the amount to be refunded or

collected from customers. However, any amount refunded or collected from customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding, and if applicable, the gas utility shall be required to reconcile any discrepancies.

Regulatory orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). Rate changes subject to the provisions of this tariff may be implemented upon the filing of an appeal to the relevant authority.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the ith rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the ith schedule or classification.

HSF_i = heat sensitive factor for the ith schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

Bl_i = base load sales for the ith schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the jth customer in ith rate schedule.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2025**	

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD
Abilene	9.61	0.1476	91.65	0.7406
Austin	8.19	0.1394	183.99	1.1581
Dallas	12.74	0.2017	193.53	1.1001
Waco	9.23	0.1277	148.26	0.7631
Wichita Falls	10.43	0.1387	122.94	0.7038

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at www.atmosenergy.com/MTXtariffs, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2024

		Shared Services		Mid-Tex Direct			
Line No.	Description	Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	Adjustment Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2025 Willis Towers Watson Report as adjusted	$ 572,372	$ (649,253)	$ 882,931	$ (3,920,499)	$ 65,943	
2	Allocation Factor	46.27%	46.27%	84.14%	84.14%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	$ 264,856	$ (300,432)	$ 742,888	$ (3,298,664)	$ 65,943	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	$ 264,856	$ (300,432)	$ 742,888	$ (3,298,664)	$ 65,943	$ (2,525,408)
6							
7	O&M Expense Factor	76.41%	76.41%	39.54%	39.54%	10.97%	
8							
9	Summary of Costs to Approve:						
10	Total Pension Account Plan	$ 202,374		$ 293,727			$ 496,101
11	Total Post-Employment Benefit Plan		$ (229,557)		$ (1,304,242)		(1,533,799)
12	Total Supplemental Executive Benefit Plan					$ 7,231	7,231
13	Total (Ln 10 + Ln 11 + Ln 12)	$ 202,374	$ (229,557)	$ 293,727	$ (1,304,242)	$ 7,231	$ (1,030,467)

August 7, 2025

MODEL STAFF REPORT FOR RESOLUTION OR ORDINANCE

BACKGROUND AND SUMMARY

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2025, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2024, entitled it to additional system-wide revenues of $245.2 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to $225.6 million, $163.5 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be $185.6 million instead of the claimed $245.2 million.

After several settlement meetings, the parties have agreed to settle the case for $205.6 million. This is a reduction of $20 million to the Company's initial request. This includes payment of ACSC's expenses. The Effective Date for new rates is October 1, 2025. ACSC members should take action approving the Resolution/Ordinance before October 1, 2025.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance that will generate $205.6 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of $7.83 on a monthly basis, or 9.27%. The increase for average commercial usage will be $25.73 or 6.56%. Atmos provided bill impact comparisons containing these figures.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When

new rates become effective on October 1, 2025, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)

	Average Bill	Compared to RRM Cities
RRM Cities:	$54.68	-
DARR:	$58.57	$3.89
ATM Cities:	$57.39	$2.71
Environs:	$55.96	$1.28

Note: ATM Cities and Environs rates are as-filed. Also note that DARR uses a test year ending in September rather than December.

EXPLANATION OF "BE IT RESOLVED" PARAGRAPHS:

1. This section approves all findings in the Resolution/Ordinance.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional $205.6 million on a system-wide basis.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution/Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Resolution/Ordinance.

8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution/Ordinance. This section further directs that the remaining provisions of the Resolution/Ordinance are to be interpreted as if the offending section or clause never existed.

10. This section provides for an effective date upon passage.

11. This section directs that a copy of the signed Resolution/Ordinance be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover $245.2 million in additional system-wide revenues, the RRM settlement at $205.6 million for ACSC members reflects substantial savings to ACSC cities. Settlement at $205.6 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution/Ordinance before October 1, 2025. New rates become effective October 1, 2025.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2024

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	**Rate R @ 42.1 Ccf**							
2	Base Rates:							
3	Customer Charge		$ 22.95	$ 23.65	$ 22.95	$ 23.65	$ 0.70	
4	Consumption Charge (Ccf)	42.1	$ 0.58974	$ 0.74748	24.80	31.44	6.64	
5	Total Base Rates				$ 47.75	$ 55.09	$ 7.34	15.37%
6								
7	Gas Cost:							
8	Rider GCR Part A (Ccf)	42.1	$ 0.20875	$ 0.20875	$ 8.78	$ 8.78	$ -	
9	Rider GCR Part B (Ccf)	42.1	$ 0.53838	$ 0.53838	22.64	22.64	-	
10	Total Gas Cost				$ 31.42	$ 31.42	$ -	0.00%
11								
12	Total Base with Gas Cost				$ 79.17	$ 86.51	$ 7.34	
13	Rider FF & Rider TAX		0.06725	0.06725	5.32	5.82	0.49	9.27%
14								
15	**Total Residential Average Bill**				**$ 84.49**	**$ 92.33**	**$ 7.83**	**9.27%**
16								
17	**Rate C @ 367.6 Ccf**							
18	Base Rates:							
19	Customer Charge		$ 81.75	$ 94.00	$ 81.75	$ 94.00	$ 12.25	
20	Consumption Charge (Ccf)	367.6	$ 0.19033	$ 0.22261	69.97	81.83	11.86	
21	Total Base Rates				$ 151.72	$ 175.83	$ 24.11	15.89%
22								
23	Gas Cost:							
24	Rider GCR Part A	367.6	$ 0.20875	$ 0.20875	$ 76.74	$ 76.74	$ -	
25	Rider GCR Part B	367.6	$ 0.37860	$ 0.37860	139.18	139.18	-	
26	Total Gas Cost				$ 215.92	$ 215.92	$ -	0.00%
27								
28	Total Base with Gas Cost				$ 367.64	$ 391.75	$ 24.11	
29	Rider FF & Rider TAX		0.06725	0.06725	24.72	26.35	1.62	6.56%
30								
31	**Total Commercial Average Bill**				**$ 392.36**	**$ 418.10**	**$ 25.73**	**6.56%**
32								

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2024

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
33	**Rate I at 1277 MMBTU**							
34	Base Rates:							
35	Customer Charge		$1,587.75	$ 1,848.75	$ 1,587.75	$ 1,848.75	$ 261.00	
36	Block 1 - Consumption Charge (MMBtu)	1,277	$ 0.6553	$ 0.7678	836.99	980.69	143.69	
37	Block 2 - Consumption Charge (MMBtu)	-	$ 0.4799	$ 0.5623	-	-	-	
38	Block 3 - Consumption Charge (MMBtu)	-	$ 0.1029	$ 0.1206	-	-	-	
39	Total Base Rates	1,277			$ 2,424.74	$ 2,829.44	$ 404.69	16.69%
40								
41	Gas Cost:							
42	Rider GCR Part A (MMBtu)	1,277	$ 2.07711	$ 2.07711	$ 2,653.03	$ 2,653.03	$ -	
43	Rider GCR Part B (MMBtu)	1,277	$ 0.88986	$ 0.88986	1,136.59	1,136.59	-	
44	Total Gas Cost				$ 3,789.63	$ 3,789.63	$ -	0.00%
45								
46	Total Base with Gas Cost				$ 6,214.37	$ 6,619.07	$ 404.69	
47	Rider FF and Rider TAX		0.06725	0.06725	417.92	445.14	27.22	6.51%
48								
49	**Total Industrial Average Bill**				**$ 6,632.29**	**$ 7,064.20**	**$ 431.91**	**6.51%**
50								
51	**Rate T at 4534 MMBTU**							
52	Base Rates:							
53	Customer Charge		$1,587.75	$ 1,848.75	$ 1,587.75	$ 1,848.75	$ 261.00	
54	Block 1 - Consumption Charge (MMBtu)	1,500	$ 0.6553	$ 0.7678	982.95	1,151.70	168.75	
55	Block 2 - Consumption Charge (MMBtu)	3,034	$ 0.4799	$ 0.5623	1,456.19	1,706.22	250.03	
56	Block 3 - Consumption Charge (MMBtu)	-	$ 0.1029	$ 0.1206	-	-	-	
57	Total Base Rates	4,534			$ 4,026.89	$ 4,706.67	$ 679.78	16.88%
58								
59	Gas Cost:							
60	Rider GCR Part B (MMBtu)	4,534	$ 0.88986	$ 0.88986	$ 4,034.96	$ 4,034.96	$ -	
61	Total Gas Cost				$ 4,034.96	$ 4,034.96	$ -	0.00%
62								
63	Total Base with Gas Cost				$ 8,061.85	$ 8,741.63	$ 679.78	
64	Rider FF and Rider TAX		0.06725	0.06725	542.17	587.88	45.72	8.43%
65								
66	**Total Transportation Average Bill**				**$ 8,604.01**	**$ 9,329.51**	**$ 725.50**	**8.43%**

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. E.1.

Meeting Date: 9/2/2025

Prepared By:

Approved By:

Caption:

Close Public Hearing

Consider Adoption of Ordinances 6864, 6865, 6866 & 6867

Issue:

D. 2. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6864

Adopting a Budget and Providing for the Appropriation of Funds for Operating and Capital Expenditures for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026; Declaring that this Budget Will Raise Less Revenue from Property Taxes than Last Year's Budget by $3,742,155 which is a 9.1% Decrease from Last Year's Budget. The Property Tax Revenue to be Raised from New Property Added to the Tax Roll this Year is $3,496,261; Providing a Savings/Repealing Clause, Severability Clause and Effective Date; Providing for the Publication of the Caption Hereof

D. 3. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6865

Providing for the Levy of Ad Valorem Taxes for the City of Sherman, Texas, for the Tax Year 2025; Distributing the Same Among the Various Funds; Providing for a Penalty and Interest for Failure to Pay the Taxes Levied within the Time Provided by Law; Providing for a Lien on all Real and Personal Property to Secure Payment of Taxes Due Thereon; Providing a Penalty Clause, Savings/Repealing Clause, Severability Clause and An Effective Date.

D. 4. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6866

Re-appointing a Presiding Municipal Court of Record Judge and an Alternate Municipal Court of Record Judge for the City of Sherman, Grayson County, Texas

D. 5. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6867

Approving a Negotiated Settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division, Regarding the Company's 2025 Rate Review Mechanism Filing; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement; Finding the Rates to be Set by the Attached Settlement Tariffs to be Just and Reasonable and in the Public Interest; Approving an Attachment Establishing a Benchmark for Pensions and Retiree Medical Benefits; Requiring the Company to Reimburse ACSC's Reasonable Ratemaking Expenses; Adopting a Savings Clause. Declaring an Effective Date; Requiring Delivery of this Ordinance to the Company and the ACSC's Legal Council.

Background:

Capital Improvement Program:

Origination:

Financial Consideration:

Staff Recommendation:

Alternatives:

Attachments:
None

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. F.1.

Meeting Date: 9/2/2025

Prepared By: Craig Long, Budget Analyst

Approved By: Zachary Flores, Acting City Manager

Caption:

RESOLUTION NO. 7566

Approving and Adopting a Five-Year Capital Improvement Program for the City of Sherman, Texas

Issue:

To approve and adopt the City of Sherman's Capital Improvement Program 2025-2030

Background:

Article V, Section 10 of the City Charter requires that the City Council, by resolution, adopt a Capital Improvement Program. As required, before consideration of the resolution, the City published a summary of the Program on the City of Sherman website and gave notice of a public hearing in a newspaper of general circulation in the City and also held the required public hearing on the Program.

Capital Improvement Program:

Origination:

Finance Department

Financial Consideration:

The first year of projects for the General, Utility and Stormwater Capital Improvement Programs are included in the proposed fiscal year (FY) 2025-2026 budget. Therefore, there is no additional financial consideration to adopting the Capital Improvement Program.

Staff Recommendation:

The staff recommends approval of the five-year Capital Improvement Plan

Alternatives:

The Council may amend the Program and then adopt the Program with or without amendments.

Attachments:

1. Resolution No. 7566
2. FY 2026-2030 CIP--DRAFT

RESOLUTION NO. 7566

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND ADOPTING A FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR 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.

WHEREAS, the City Council is charged with providing a five-year capital improvement program for the City of Sherman, pursuant to Article V of the Charter of said City; and

WHEREAS, the City Manager has provided to the City Council such a program in a timely fashion; and

WHEREAS, the City Council met to review said plan on the 18th day of August, 2025, at a regular City Council meeting;

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

SECTION 1. That the Five-Year Capital Improvement Program, attached hereto as Exhibit "A" and incorporated herein for all intents and purposes, be and the same is hereby in all things approved and adopted as the Capital Improvement Program of the City of Sherman, Texas.

SECTION 2. That the effective date of this resolution shall be the 2nd day of September, 2025.

SECTION 3. 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 2nd day of September 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS
EXEC. DIR. OF ADMINISTRATION /
ACTING CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

Capital Improvement Plan of the City of Sherman

October 1, 2025 - September 30, 2030

Shawn Teamann, Mayor
Juston Dobbs, Deputy Mayor

Council Members
Daron Holland
Josh Stevenson
Pamela Howeth
Henry Marroquin
Clay Barnett

CAPITAL IMPROVEMENT PROGRAM OF THE CITY OF SHERMAN

OCTOBER 1, 2025 - SEPTEMBER 30, 2030

CITY COUNCIL

Shawn Teamann, Mayor
Juston Dobbs, Deputy Mayor

Council Members

Pamela L. Howeth
Daron Holland
Josh Stevenson
Clay Barnett
Henry Marroquin

☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆

Dr. Zachary Flores, City Manager

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City of Sherman, Texas

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Sherman
CLASSIC TOWN. BROAD HORIZON.

MAYOR
SHAWN TEAMANN
DEPUTY MAYOR
JUSTON DOBBS

CITY COUNCIL
PAMELA L. HOWETH
DARON HOLLAND
JOSH STEVENSON
CLAY BARNETT
HENRY MARROQUIN

CITY MANAGER
DR. ZACHARY FLORES

The Honorable Shawn Teamann, Mayor, and Members of the City Council

Subject: 2025-2026/2029-2030 Five-Year Capital Improvement Program

The Capital Improvement Program for the City of Sherman is submitted to you in compliance with Article V, Section IX of our Charter. This Five-Year Capital Improvement Program covers the planning period beginning October 1, 2025 through September 30, 2030.

Our community continues to experience growth and potential for growth and, in order to meet the needs of the future, we must plan. The Capital Improvement Program forecasts our major capital improvement needs on a yearly priority basis. The plan requires annual revision in order to ensure that it meets the public safety, health and welfare needs of the citizens of Sherman, as well as our ability to finance those needs.

The Capital Improvement Program provides you with a comprehensive planning forecast of Capital Improvement needs. It outlines the recommended projects by fiscal year and estimates cost and funding sources. Each project is described by a brief narrative. The process of reviewing and approving this document requires that you concentrate on the priorities of the projects, due to funding limitations.

The Capital Improvement Program is separated into two functions, that of governmental and of proprietary. The governmental function is accounted for in General Fund services and Stormwater Fund services; and the Capital Improvement Projects under this section are associated with general government and financed by taxation, grants and other General Fund sources. Stormwater Fund capital improvement projects are supported and serviced by the Stormwater Fee. These projects are in the nature of streets, parks, drainage, flood control, refuse, and public safety improvements. The proprietary function is accounted for in the Utility Services section. Projects under this section are primarily for water and sewer improvements. Summaries by fiscal year for General Services, Utility Services, and Stormwater Services are for years one through five.

This Capital Improvement Program has been reviewed and is hereby respectfully submitted for your consideration.

Very truly yours,

Dr. Zachary Flores
City Manager

PO Box 1106 | Sherman, TX 75091 | 903-892-7200 | www.el.sherman.txus

GENERAL SERVICES

PROJECT	FY 2026 Budgeted	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed	FY 2030 Proposed
BUILDING MAINTENANCE					
Construct New Service Center Facility	$ 9,000,000	$ -	$ -	$ -	$ -
Remodel Community Services Building	$ -	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Construct Fire Station No. 5	$ -	$ -	$ -	$ -	$ 4,970,481
Total Building Maintenance Services	$ 9,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 5,970,481
DOWNTOWN					
Laurel Street Parking Lot Improvements	$ 1,600,000	$ -	$ -	$ -	$ -
Construct Elm Street Linear Park - City Hall to Laurel Street	$ 1,500,000	$ -	$ -	$ -	$ -
Purchase Texas Laundry Building for Future Parking Lot	$ 500,000	$ -	$ -	$ -	$ -
Downtown Master Plan Implementation	$ -	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Total Downtown Projects	$ 3,600,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
ENGINEERING SERVICES					
Phased Design & Construction of Lamberth Road - Shady Oaks to Friendship Road	$ 2,000,000	$ -	$ -	$ -	$ -
Construct Two Lanes - Bel Air Boulevard & Seguin	$ 2,000,000	$ -	$ -	$ -	$ -
Design & Construct Friendship Road Four-Lane Minor Arterial	$ -	$ 1,000,000	$ 4,533,334	$ 4,533,333	$ 4,533,333
Construct Heritage Ranch Trail - Phase II	$ -	$ 5,900,000	$ -	$ -	$ -
Install Traffic Signal - Luella Road and FM 1417	$ -	$ 400,000	$ -	$ -	$ -
Design & Construct Railroad Crossing on East Shepherd Drive	$ -	$ -	$ 150,000	$ 1,500,000	$ -
Engineer & Construct McGee Street Bridge Across Sand Creek	$ -	$ -	$ 600,000	$ -	$ 4,000,000
Construct Shepherd Drive - US 75 East to Railroad	$ -	$ -	$ 1,500,000	$ -	$ -
Phased Design & Construction of Friendship Road - SH 56 to Lamberth Road	$ -	$ -	$ -	$ 2,200,000	$ 3,000,000
Total Engineering Services Department	$ 4,000,000	$ 7,300,000	$ 6,783,334	$ 8,233,333	$ 11,533,333
PARKS AND RECREATION					
Trails Master Plan Implementation	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Annual Park Improvements	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Total Parks and Recreation Department	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000

GENERAL SERVICES

PROJECT	FY 2026 Budgeted	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed	FY 2030 Proposed
SHERMAN ECONOMIC DEVELOPMENT					
Phased Construction of Interurban Parkway - FM 1417 to Progress Drive	$ 8,700,000	$ -	$ -	$ -	$ -
Construct Tortilla Way	$ 1,000,000	$ -	$ -	$ -	$ -
Total Sherman Economic Development Department	$ 9,700,000	$ -	$ -	$ -	$ -
STREET MAINTENANCE					
Cherry Street Repairs - US 75 Service Road (Including Curb & Gutter)	$ 1,216,146	$ -	$ -	$ -	$ -
Repair N. Travis Street - US 75 Service Road to Houston Street	$ 844,165	$ -	$ -	$ -	$ -
Repair Taylor Street - FM 1417 to Texoma Parkway	$ -	$ 2,675,098	$ -	$ -	$ -
Repair Lamberth Road - FM 1417 to Loy Lake Road	$ -	$ -	$ 2,579,350	$ -	$ -
Repair Woods Street - Belden to Lamar Street	$ -	$ -	$ 1,688,170	$ -	$ -
Repair Fallon Drive - US 75 Service Road East to Texoma Parkway	$ -	$ -	$ 1,527,900	$ -	$ -
Repair Friendship Road - SH 56 to OB Groner	$ -	$ -	$ -	$ 736,010	$ -
Repair OB Groner - FM 1417 to Choctaw Creek/City Limits	$ -	$ -	$ -	$ 562,870	$ -
Total Street Maintenance Department	$ 2,060,311	$ 2,675,098	$ 5,795,420	$ 1,298,880	$ -
Total General Services	$30,360,311	$13,975,098	$16,578,754	$13,532,213	$20,503,814

UTILITY SERVICES

PROJECT	FY 2026 Budgeted	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed	FY 2030 Proposed
Oversizing Costs for Annual Water & Sewer Projects	$ 300,000	$ 300,000	$ 300,000	$ 500,000	$ -
Upgrade WWTP From 10 MGD (ADF) to 14 MGD (ADF)	$ 8,000,000	$ 33,500,000	$ 70,000,000	$ -	$ -
Continue High Country Estates Water System Upgrades	$ 75,000	$ 70,000	$ 75,000	$ -	$ -
Construct 84-Inch Water Line From Lake Texoma to WTP	$ 14,000,000	$ 28,000,000	$ -	$ -	$ -
Rehab Equalization Basin Blower & Rehab/Replace Sludge Digester Complex at WWTP	$ 7,300,000	$ 5,560,000	$ -	$ -	$ -
Procure Materials for Lake Texoma Pump Station Generator & Switchgear Upgrades	$ 2,600,000	$ 1,740,000	$ -	$ -	$ -
Add 8-Inch Water Line Across US 75 to Stabilize Elevated Tank Levels	$ 78,200	$ 521,000	$ -	$ -	$ -
USACE Water Storage	$ 10,106,467	$ -	$ -	$ -	$ -
Reroute 24-Inch Wastewater Line From New South WWTP to North WWTP	$ 5,860,000	$ -	$ -	$ -	$ -
Construct Phase II of Sewer Line Replacements in Downtown Sherman	$ 2,000,000	$ -	$ -	$ -	$ -
Rehabilitation of WTP Backwash Tank	$ 2,350,000	$ -	$ -	$ -	$ -
Increase Existing 6-Inch Water Line Across SH 289 to 12-Inch PVC Line	$ 1,900,000	$ -	$ -	$ -	$ -
Abandon Old 18-Inch & 24-Inch South Industrial Sewer Line	$ 1,750,000	$ -	$ -	$ -	$ -
Taylor Street Water Line - Texoma Parkway to Loy Lake	$ 440,000	$ -	$ -	$ -	$ -
Replace Various Existing Sanitary Sewer Lines Along Post Oak Creek	$ -	$ 7,332,000	$ 9,400,000	$ 3,800,000	$ -
Upsize 21-Inch Sanitary Sewer Line to 30-Inch Line to Address Flow From The Village	$ -	$ 1,000,000	$ 7,000,000	$ -	$ -
Upsize 21-Inch Sanitary Sewer Line to 36-Inch Line - Progress Park	$ -	$ 1,000,000	$ 6,600,000	$ -	$ -
Replace Failing Clay Tile Sewer Line On Texoma Parkway Near Proposed Peyton Street Development	$ -	$ 841,900	$ 3,000,000	$ -	$ -
Upsize 15-Inch Sanitary Sewer Line to 24-Inch Line - Shepherd Drive	$ -	$ 600,000	$ 3,750,000	$ -	$ -
Rehabilitation & Safety Improvements to Decant Lift Station at WWTP	$ -	$ 50,000	$ 430,000	$ -	$ -
Add Filters and Relift Pump for Full 16 MGD Capacity at WWTP	$ -	$ 3,300,000	$ -	$ -	$ -
Clarifier #3 Rehabilitation & NFPA Upgrades to Grit Building at WWTP	$ -	$ 2,510,000	$ -	$ -	$ -
Bel Air Construction - Phase III - 20-Inch Surface Water Line	$ -	$ 1,200,000	$ -	$ -	$ -
Major Rehabilitation or Replacement of WWTP Bar Screens	$ -	$ -	$ 200,000	$ 1,750,000	$ -
Design-Build Permanent Staff Office Facility at WWTP	$ -	$ -	$ -	$ 1,500,000	$ 6,000,000
Design & Construct New 18-Inch Wastewater Line Along Choctaw Creek	$ -	$ -	$ -	$ 2,500,000	$ 20,000,000
Total Utility Services	$ 56,759,667	$ 87,524,900	$ 100,755,000	$ 10,050,000	$ 26,000,000

STORMWATER SERVICES

PROJECT	FY 2026 Budgeted	FY 2027 Proposed	FY 2028 Proposed	FY 2029 Proposed	FY 2030 Proposed
Hillcrest/Woods Bridges - Erosion Repair & Deck Overlay	$ -	$ 550,000	$ -	$ -	$ -
Taylor/Washington Bridges - Erosion Repair & Deck Overlay	$ -	$ 550,000	$ -	$ -	$ -
Increase Culvert Capacity Under Gribble Street	$ -	$ -	$ 400,000	$ -	$ -
Pecan/Ricketts/Centennial/Blue Flame Bridges - Erosion Repair & Deck Overlay	$ -	$ -	$ 275,000	$ -	$ -
Total Stormwater Services	$ -	$ 1,100,000	$ 675,000	$ -	$ -

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND ADOPTING A FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR 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.

WHEREAS, the City Council is charged with providing a five-year capital improvement program for the City of Sherman, pursuant to Article V of the Charter of said City; and

WHEREAS, the City Manager has provided to the City Council such a program in a timely fashion; and

WHEREAS, the City Council met to review said plan on the 18th day of August, 2025, at a regular City Council meeting;

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

SECTION 1. That the Five-Year Capital Improvement Program, attached hereto as Exhibit "A" and incorporated herein for all intents and purposes, be and the same is hereby in all things approved and adopted as the Capital Improvement Program of the City of Sherman, Texas.

SECTION 2. That the effective date of this resolution shall be the 2nd day of September, 2025.

SECTION 3. 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 _____ day of _____, 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS, ACTING CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

CAPITAL BUDGET
2025 - 2030

GENERAL SERVICES
2025 - 2030

GENERAL SERVICES

CAPITAL BUDGET: 2025-2030

Within the Five-year Capital Improvement Program, the first year is considered the Capital Budget. The appropriation ordinance will give initial authorization for the staff to prepare and execute all projects listed for the coming year. City Council will consider the projects in subsequent years for approval and funding during the budget process for each year. These projects listed are for information and planning purposes and do not obligate the Council to approve or fund beyond the current approved appropriations ordinance.

GENERAL FUND

CONSTRUCT NEW SERVICE CENTER FACILITY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$9,000,000	$0	$0	$0	$0	$9,000,000

DESCRIPTION: Construct a new service center facility.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: City growth is rapidly expanding City fleet service needs and the current facility has reached capacity.

DEPARTMENT/ PROJECT MANAGER: Building Maintenance, Eric Sandberg

REMODEL COMMUNITY SERVICES FACILITY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$4,000,000

DESCRIPTION: Remodel the community services facility.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Expanded use of the existing facility requires interior improvements, in order to extend useful life. Remodeling will be phased out over multiple years.

DEPARTMENT/ PROJECT MANAGER: Building Maintenance, Eric Sandberg

GENERAL FUND

CONSTRUCT FIRE STATION NO. 5

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$0	$4,970,481	$4,970,481

DESCRIPTION: Construct a new Fire Station No. 5.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: A new station No. 5 will replace an aged, undersized, and inefficiently located fire station. It will also incorporate a permanent location for Fire administrative offices.

DEPARTMENT/ PROJECT MANAGER: Building Maintenance, Eric Sandberg

LAUREL STREET PARKING LOT IMPROVEMENTS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,600,000	$0	$0	$0	$0	$1,600,000

DESCRIPTION: Construct Laurel Street parking lot.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Parking lot will address increased usage in Downtown programming area.

DEPARTMENT/ PROJECT MANAGER: Management Services, Leah Roberts

GENERAL FUND

CONSTRUCT ELM STREET LINEAR PARK - CITY HALL TO LAUREL STREET

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,500,000	$0	$0	$0	$0	$1,500,000

DESCRIPTION: Construct a linear park on Elm Street, with potential food truck access.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Project will convert Elm Street, from City Hall to Laurel Street, into pedestrian access only.

DEPARTMENT/ PROJECT MANAGER: Management Services, Leah Roberts

PURCHASE TEXAS LAUNDRY BUILDING FOR FUTURE PARKING LOT

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$500,000	$0	$0	$0	$0	$500,000

DESCRIPTION: Purchase the Texas Laundry Building, located at 112 S. Walnut Street for future use as a parking lot.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Project is necessary to address increasing patronage of downtown Sherman businesses and amenities.

DEPARTMENT/ PROJECT MANAGER: Management Services, Leah Roberts

GENERAL FUND

DOWNTOWN MASTER PLAN IMPLEMENTATION

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$4,000,000

DESCRIPTION: Plan implementation includes Laurel Street parking lot reconstruction, updating wayfinding signage, historical Texas Theatre sign, and design Elm Street pedestrian path.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Expanding downtown parking, along with wayfinding signage, follows the Downtown Strategic Plan. Additionally, a downtown pedestrian only path will connect Downtown to our Trails Master Plan.

DEPARTMENT/ PROJECT MANAGER: Management Services, Leah Roberts

PHASED CONSTRUCTION OF INTERURBAN PARKWAY - FM 1417 TO PROGRESS DRIVE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$8,700,000	$0	$0	$0	$0	$8,700,000

DESCRIPTION: Project to continue the phased construction of the Interurban Parkway, connecting FM 1417 to Progress Drive.

PROPOSED FINANCING: SEDCO

PROJECT NECESSITY: The 2020 Grayson County Thoroughfare Plan recommended a minor thoroughfare connecting FM 1417 to Progress Drive.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

PHASED DESIGN & CONSTRUCTION OF LAMBERTH ROAD - SHADY OAKS TO FRIENDSHIP ROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,000,000	$0	$0	$0	$0	$2,000,000

DESCRIPTION: Continuing the phased design & construction of Lamberth Road, east of Shady Oaks to just west of proposed 5-lane road section; Shady Oak Lane south of Lambert intersection to just north of Shady Oaks Circle Intersection.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The minor thoroughfare is necessary to meet current City design standards.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

CONSTRUCT TWO LANES - BEL AIR BOULEVARD & SEGUIN

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,000,000	$0	$0	$0	$0	$2,000,000

DESCRIPTION: Construct two lanes of a four-lane road from FM 1417 to Bel Air Boulevard and from Seguin to South Travis Street.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Necessary to provide access to Travis Heights subdivision. Developer will construct the other two lanes.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

CONSTRUCT TORTILLA WAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,000,000	$0	$0	$0	$0	$1,000,000

DESCRIPTION: Construct a thirty-seven foot wide commercial street, approximately 1,000 linear feet.

PROPOSED FINANCING: SEDCO

PROJECT NECESSITY: The new roadway is necessary to provide access to manufacturing business areas.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

INSTALL TRAFFIC SIGNAL - LUELLA ROAD AND FM 1417

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$400,000	$0	$0	$0	$400,000

DESCRIPTION: Installation of a traffic signal at the intersection of Luella Road and FM 1417.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The traffic impact study identified this intersection requires a traffic signal to address increased traffic flow.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

DESIGN & CONSTRUCT FRIENDSHIP ROAD FOUR-LANE MINOR ARTERIAL

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$4,533,334	$4,533,333	$4,533,333	$14,600,000

DESCRIPTION: Design and construction to improve Friendship Road into a four-lane divided minor arterial.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Depending on the outcome of the 2026 traffic study, design and construction of a minor arterial may be a necessary improvement for the Hickory Hill planned development.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

CONSTRUCT HERITAGE RANCH TRAIL - PHASE II

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$5,900,000	$0	$0	$0	$5,900,000

DESCRIPTION: Phase II includes construction from the intersection of FM 1417 to new elementary school.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Project required to better address increased flow of traffic in the Heritage Ranch area.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

DESIGN & CONSTRUCT RAILROAD CROSSING ON EAST SHEPHERD DRIVE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$150,000	$1,500,000	$0	$1,650,000

DESCRIPTION: Design and construct a railroad crossing on East Shepherd Drive.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Construction of this street improvement will connect separate street developments east and west of railroad crossing, which will be provided by developers.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

ENGINEER & CONSTRUCT MCGEE STREET BRIDGE ACROSS SAND CREEK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$600,000	$0	$4,000,000	$4,600,000

DESCRIPTION: Engineer and construct McGee Street Bridge across Sand Creek.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: This bridge design will assist in areas of development in West Sherman. The bridge is included in the major thoroughfare design recommended by the 2020 Grayson County Thoroughfare Plan between FM 1417 and SH 289.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

CONSTRUCT SHEPHERD DRIVE - US 75 EAST TO RAILROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$1,500,000	$0	$0	$1,500,000

DESCRIPTION: Construct Shepherd Drive from US 75 east to railroad.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Roadway extension will connect proposed development on south side of Shepherd.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

PHASED DESIGN & CONSTRUCTION OF FRIENDSHIP ROAD - SH 56 TO LAMBERTH ROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$2,200,000	$3,000,000	$5,200,000

DESCRIPTION: Phased design and construction of Friendship Road, connecting State Highway 56 to Lamberth Road.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: Project is included in the Master Thoroughfare Plan. Additional improvements may be needed as Hickory Hill planned development builds out.

DEPARTMENT/ PROJECT MANAGER: Engineering Services, Wayne Lee

GENERAL FUND

TRAILS MASTER PLAN IMPLEMENTATION

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000

DESCRIPTION: Implement projects related to the Trails Master Plan.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Annual improvements, per directive of the Trails Master Plan, to address increasing demands for City amenities.

DEPARTMENT/ PROJECT MANAGER: Parks and Recreation, Justin Eastwood

ANNUAL PARK IMPROVEMENTS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000

DESCRIPTION: Annual projects to address various park improvement needs.

PROPOSED FINANCING: Certificates of Obligation

PROJECT NECESSITY: Projects necessary to meet increasing demands tied to City growth. The projects will be consistent with the Comprehensive Master Plan.

DEPARTMENT/ PROJECT MANAGER: Parks and Recreation, Justin Eastwood

GENERAL FUND

CHERRY STREET REPAIRS - US 75 SERVICE ROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,216,146	$0	$0	$0	$0	$1,216,146

DESCRIPTION: Continue repairs to Cherry Street, southeast to the US 75 service road, including curb and gutters.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

REPAIR N. TRAVIS STREET - US 75 SERVICE ROAD TO HOUSTON STREET

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$844,165	$0	$0	$0	$0	$844,165

DESCRIPTION: Repair North Travis Street from US 75 service road east to Houston Street.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

GENERAL FUND

REPAIR TAYLOR STREET - FM 1417 TO TEXOMA PARKWAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$2,675,098	$0	$0	$0	$2,675,098

DESCRIPTION: Repair Taylor Street from FM 1417 to Texoma Parkway.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

REPAIR LAMBERTH ROAD - FM 1417 TO LOY LAKE ROAD

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$2,579,350	$0	$0	$2,579,350

DESCRIPTION: Repair Lamberth Road from FM 1417 to Loy Lake Road.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

GENERAL FUND

REPAIR WOODS STREET - BELDEN TO LAMAR STREET

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$1,688,170	$0	$0	$1,688,170

DESCRIPTION: Repair Woods Street from Belden to Lamar Street.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

REPAIR FALLON DRIVE - US 75 SERVICE ROAD EAST TO TEXOMA PARKWAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$1,527,900	$0	$0	$1,527,900

DESCRIPTION: Repair Fallon Drive from US 75 service road east to Texoma Parkway.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

GENERAL FUND

REPAIR FRIENDSHIP ROAD - SH 56 TO OB GRONER

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$736,010	$0	$736,010

DESCRIPTION: Repair Friendship Road from State Highway 56 to OB Groner Road.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

REPAIR OB GRONER - FM 1417 TO CHOCTAW CREEK/CITY LIMITS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$562,870	$0	$562,870

DESCRIPTION: Repair OB Groner Road from FM 1417 to Choctaw Creek and the City limits.

PROPOSED FINANCING: Certificates of Obligation / Impact Fees

PROJECT NECESSITY: The current overlay has reached the end of its useful life and requires rebuilding.

DEPARTMENT/ PROJECT MANAGER: Street Maintenance, Eric Sandberg

UTILITY SERVICES
2025 - 2030

UTILITY SERVICES

CAPITAL BUDGET: 2025-2030

Within the Five-year Capital Improvement Program, the first year is considered the Capital Budget. The appropriation ordinance will give initial authorization for the staff to prepare and execute all projects listed for the coming year. City Council will consider the projects in subsequent years for approval and funding during the budget process for each year. These projects listed are for information and planning purposes and do not obligate the Council to approve or fund beyond the current approved appropriations ordinance.

These are Utility Services Projects, being specifically related to the operation of a Water and Sewer System and having certain types of financing requirements different from those typically used for General Services.

UTILITY SERVICES

OVERSIZING COSTS FOR ANNUAL WATER & SEWER PROJECTS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$300,000	$300,000	$300,000	$500,000	$0	$1,400,000

DESCRIPTION: Includes oversizing for annual water and sewer projects, as well as line replacements

PROPOSED FINANCING: Utility Improvement Fund

PROJECT NECESSITY: In order to address annual wear and tear & development demands, updates related to oversizing and line replacements are required.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UPGRADE WWTP FROM 10 MGD (ADF) TO 14 MGD (ADF)

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$8,000,000	$33,500,000	$70,000,000	$0	$0	$111,500,000

DESCRIPTION: Upgrade the daily treatment capacity at the Wastewater Treatment Plant (WWTP) from 10 MGD (ADF) to 14 MGD (ADF).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Critical upgrade required to meet current wastewater treatment demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

CONTINUE HIGH COUNTRY ESTATES WATER SYSTEM UPGRADES

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$75,000	$70,000	$75,000	$0	$0	$220,000

DESCRIPTION: Continue to upgrade the water system at the High Country Estates subdivision, approximately 9,000 linear feet, annually, over a four-year period.

PROPOSED FINANCING: Utility Improvement Fund

PROJECT NECESSITY: The annexation of High Country Estates has necessitated upgrades to bring to City water system standards.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

CONSTRUCT 84-INCH WATER LINE FROM LAKE TEXOMA TO WTP

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$14,000,000	$28,000,000	$0	$0	$0	$42,000,000

DESCRIPTION: Construction of a new 84-inch raw water line, parallel to existing 72-inch line, from Lake Texoma to the Water Treatment Plant (WTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Required City contribution by the North Texas Municipal Water District (NTMWD) for an additional raw water pipeline from the Lake Texoma Pump Station to the Water Treatment Plant.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

REHAB EQUALIZATION BASIN BLOWER & REHAB/REPLACE SLUDGE DIGESTER COMPLEX

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$7,300,000	$5,560,000	$0	$0	$0	$12,860,000

DESCRIPTION: Rehabilitation of EQ blower, blower building, and electrical feeds supplying the equalization basin blowers. Additionally, rehab/replace components of the sludge digester at WWTP.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Due to age and corrosion, it is necessary to rehabilitate or replace worn components to prevent equipment failure and safety hazards at the Wastewater Treatment Plant (WWTP).

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

PROCURE MATERIALS FOR LAKE TEXOMA PUMP STATION GENERATOR & SWITCHGEAR UPDATES

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,600,000	$1,740,000	$0	$0	$0	$4,340,000

DESCRIPTION: Procure materials for installation of a backup generator and switchgear at the Lake Texoma Pump Station (LTPS).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: In an effort to mitigate delays for lead time issues, material procurement is recommended for the generator and switchgear.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

ADD 8-INCH WATER LINE ACROSS US 75 TO STABILIZE ELEVATED TANK LEVELS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$78,200	$521,000	$0	$0	$0	$599,200

DESCRIPTION: Design and installation of an 8-inch water line across US 75 for the Fairview and Harrison elevated tanks.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: The addition of the water line will help to stabilize these elevated storage tanks and is included in the Water Master Plan.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

USACE WATER STORAGE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$10,106,467	$0	$0	$0	$0	$10,106,467

DESCRIPTION: Agreement with the U.S. Army Corps of Engineers, for the right to increased water storage within Lake Texoma, allowing the City to obtain additional water rights.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Sherman is continuing to look for additional water rights to handle future development and water demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

REROUTE 24-INCH WASTEWATER LINE FROM NEW SOUTH WWTP TO NORTH WWTP

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$5,860,000	$0	$0	$0	$0	$5,860,000

DESCRIPTION: This project will reroute 3,000 linear feet of 24-inch wastewater line from the new south Wastewater Treatment Plant (WWTP) to the north WWTP.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Rerouting the wastewater line is necessary for treatment of Texas Instruments wastewater.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

CONSTRUCT PHASE II OF SEWER LINE REPLACEMENTS IN DOWNTOWN SHERMAN

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,000,000	$0	$0	$0	$0	$2,000,000

DESCRIPTION: Construct phase II for a multi-phase replacement of sewer lines in downtown Sherman

PROPOSED FINANCING: GTUA - paid by the Downtown Tax Increment Reinvestment Zone

PROJECT NECESSITY: The downtown sewer line system is deteriorating and reaching the end of its useful life.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

REHABILITATION OF WTP BACKWASH TANK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$2,350,000	$0	$0	$0	$0	$2,350,000

DESCRIPTION: Rehabilitate the Water Treatment Plant (WTP) backwash tank, including all hatches and accesses, ladders, lighting, paint/coat tank and associated equipment

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Necessary to extend tank life and meet TCEQ/EPA code.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

INCREASE EXISTING 6-INCH WATER LINE ACROSS SH 289 TO 12-INCH PVC LINE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,900,000	$0	$0	$0	$0	$1,900,000

DESCRIPTION: Increase water line across SH 289 from a 6-inch line to a 12-inch PVC line.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Increasing the size of the water line is necessary to address increased growth and usage in surrounding areas.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

ABANDON OLD 18-INCH & 24-INCH SOUTH INDUSTRIAL SEWER LINE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$1,750,000	$0	$0	$0	$0	$1,750,000

DESCRIPTION: Abandon the old 18-inch and 24-inch south industrial sewer line, approximately 1,900 linear feet from new line to the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: With the addition of the new line, the old south industrial sewer line is obsolete and no longer required.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

TAYLOR STREET WATER LINE - TEXOMA PARKWAY TO LOY LAKE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$440,000	$0	$0	$0	$0	$440,000

DESCRIPTION: Relocate the Taylor Street water line from Texoma Parkway to Loy Lake Road.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: TxDOT is realigning the Taylor Street bridge, requiring the City to relocate the adjacent water line.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

REPLACE VARIOUS EXISTING SANITARY SEWER LINES ALONG POST OAK CREEK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$7,332,000	$9,400,000	$3,800,000	$0	$20,532,000

DESCRIPTION: Install new 48-inch, 60-inch and 72-inch sanitary sewer lines to replace existing 27-inch, 39-inch and 42-inch lines going to the Wastewater Treatment Plant (WWTP) along Post Oak Creek.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Increasing size of creek sewer lines running to the WWTP is necessary to accommodate increasing sewer demands tied to recent and future growth.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UPSIZE 21-INCH SANITARY SEWER LINE TO 30-INCH LINE - THE VILLAGE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$7,000,000	$0	$0	$8,000,000

DESCRIPTION: Upsize the Choctaw sanitary sewer line from a 21-inch line to a 30-inch line to address flow from The Village planned development, south of Sherman High School.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Recent City growth requires increasing the size of the sanitary sewer system, in order to effectively meet wastewater collection and treatment demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

UPSIZE 21-INCH SANITARY SEWER LINE TO 36-INCH LINE - PROGRESS PARK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,000,000	$6,600,000	$0	$0	$7,600,000

DESCRIPTION: Upsize the 21-inch sanitary sewer line servicing Progress Park to a 36-inch sanitary sewer line.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Recent City growth requires increasing the size of the sanitary sewer system, in order to effectively meet wastewater collection and treatment demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

REPLACE FAILING CLAY TILE SEWER LINE ON TEXOMA PARKWAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$841,900	$3,000,000	$0	$0	$3,841,900

DESCRIPTION: Replace failing clay tile sewer line on Texoma Parkway, near proposed Peyton Street development.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Evaluation of the proposed development off Peyton Street revealed a failure along a clay tile sewer line, which is reaching the end of its useful life.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

UPSIZE 15-INCH SANITARY SEWER LINE TO 24-INCH LINE - SHEPHERD DRIVE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$600,000	$3,750,000	$0	$0	$4,350,000

DESCRIPTION: Upsize the 15-inch sanitary sewer line along Shepherd Drive to a 24-inch line to address flow.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Recent City growth requires increasing the size of the sanitary sewer system, in order to effectively meet wastewater collection and treatment demands.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

REHABILITATION & SAFETY IMPROVEMENTS TO DECANT LIFT STATION

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$50,000	$430,000	$0	$0	$480,000

DESCRIPTION: Rehabilitate and implement safety improvements to the decant lift station at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: The decant lift station allows pumping out of the sludge holding ponds. The Condition Assessment determined the station is in need of rehabilitation and missing various safety measures.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

ADD FILTERS AND RELIFT PUMP FOR FULL 16 MGD CAPACITY AT WWTP

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$3,300,000	$0	$0	$0	$3,300,000

DESCRIPTION: Add filters and re-lift pump for full 16 MGD capacity at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Additional filters and re-lift pump are necessary to expand the capacity of existing filters to meet full 16 MGD capacity.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

CLARIFIER #3 REHABILITATION & NFPA UPGRADES TO GRIT BUILDING

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$2,510,000	$0	$0	$0	$2,510,000

DESCRIPTION: Rehabilitate clarifier #3 and perform NFPA upgrades to the grit building at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Clarifier #3 is aging and in need of rehab to remain in service. Additionally, NFPA upgrades are needed to ensure grit building operator safety and continued operation, as recommended by the WWTP Condition Assessment.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

BEL AIR CONSTRUCTION - PHASE III - 20-INCH SURFACE WATER LINE

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$1,200,000	$0	$0	$0	$1,200,000

DESCRIPTION: Construct 20-inch surface water line from creek crossing to end of Phase I line. Includes relocating existing groundwater line to follow creek, as well as constructing a new pressure vault at FM 1417. Phase III extends from Legacy Boulevard to west side of US 75.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Necessary infrastructure to service Bel Air development and tie into the new Legacy water line.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

MAJOR REHABILITATION OR REPLACEMENT OF WWTP BAR SCREENS

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$200,000	$1,750,000	$0	$1,950,000

DESCRIPTION: Rehabilitate or replace bar screens at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: The bar screens are nearing the end of their useful life and will require rehabilitation or replacement.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

UTILITY SERVICES

DESIGN-BUILD PERMANENT STAFF OFFICE FACILITY AT WWTP

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$1,500,000	$6,000,000	$7,500,000

DESCRIPTION: Design-build a permanent office facility for staff at the Wastewater Treatment Plant (WWTP).

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: Currently, WWTP staff are utilizing a combination of existing permanent office space and a temporary building. In order to accommodate new staff, increasing permanent office space with a conference room is required.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

DESIGN & CONSTRUCT NEW 18-INCH WASTEWATER LINE ALONG CHOCTAW CREEK

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$0	$2,500,000	$20,000,000	$22,500,000

DESCRIPTION: Design and construct a new 18-inch wastewater line along Choctaw Creek.

PROPOSED FINANCING: GTUA

PROJECT NECESSITY: The project will address increased development demand in southwest Sherman.

DEPARTMENT/ PROJECT MANAGER: Utilities Engineer P.E., Tom Pruitt

STORMWATER SERVICES
2025 - 2030

STORMWATER SERVICES

CAPITAL BUDGET: 2025-2030

Within the Five-year Capital Improvement Program, the first year is considered the Capital Budget. The appropriation ordinance will give initial authorization for the staff to prepare and execute all projects listed for the coming year. City Council will consider the projects in subsequent years for approval and funding during the budget process for each year. These projects listed are for information and planning purposes and do not obligate the Council to approve or fund beyond the current approved appropriations ordinance.

These are Stormwater Services Projects, being specifically related to the operation of the Municipal Drainage Utility System and having certain types of financing requirements different from those typically used for General Services.

STORMWATER SERVICES

HILLCREST/WOODS BRIDGES - EROSION REPAIR & DECK OVERLAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$550,000	$0	$0	$0	$550,000

DESCRIPTION: Repair erosion damage and overlay the bridge deck on the Hillcrest Street bridge and North Woods bridge at Post Oak Creek.

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.

DEPARTMENT/ PROJECT MANAGER: Director of Engineering, Wayne Lee

TAYLOR/WASHINGTON BRIDGES - EROSION REPAIR & DECK OVERLAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$550,000	$0	$0	$0	$550,000

DESCRIPTION: Repair erosion damage and overlay the bridge deck on the Taylor Street bridge and Washington Street bridge at Post Oak Creek.

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.

DEPARTMENT/ PROJECT MANAGER: Director of Engineering, Wayne Lee

STORMWATER SERVICES

INCREASE CULVERT CAPACITY UNDER GRIBBLE STREET

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$400,000	$0	$0	$400,000

DESCRIPTION: Increase the capacity of the Stream G box culvert under Gribble Street.

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: This project is identified in the Post Oak Creek Flood Protection Plan as necessary to mitigate flood damage and decrease road closures during 100-year storms.

DEPARTMENT/ PROJECT MANAGER: Director of Engineering, Wayne Lee

PECAN/RICKETTS/CENTENNIAL/BLUE FLAME BRIDGES - EROSION REPAIR & DECK OVERLAY

EXPENDITURES:

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
$0	$0	$275,000	$0	$0	$275,000

DESCRIPTION: Repair erosion damage and overlay the bridge deck on the West Pecan Street, North Ricketts Street, Centennial Street, and Blue Flame Road bridges.

PROPOSED FINANCING: Stormwater Fund

PROJECT NECESSITY: These bridges were identified in the 2016 Bridge Inventory, Inspection, and Appraisal Program as in need of repair.

DEPARTMENT/ PROJECT MANAGER: Director of Engineering, Wayne Lee

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. F.2.

Meeting Date: 9/2/2025

Prepared By: Loren Siems, Right of Way Specialist

Approved By: Zachary Flores, Acting City Manager

Caption:

Resolution No. 7567

Authorizing The City Manager Or His Designee To Execute A Purchase And Sale Agreement With JEJE Holdings LLC For The Purchase Of 3 Lots In Sherman For The Future Site Of The Fleet Service Center.

Issue:

Authorizing the purchase of real property from JEJE Holdings LLC for the future site of the Fleet Service Center

Background:

The City of Sherman has identified this property as the future site for the Fleet Service Center. Purchasing this property will start the process of having a new, larger location for the Fleet Service Center.

Capital Improvement Program:

Origination:

City of Sherman

Financial Consideration:

$150,000.00, money is budgeted in the current CIP

Staff Recommendation:

Staff recommends that the City Council approve the resolution to authorize the purchase of the subject property.

Alternatives:

As may be directed by City Council

Attachments:

1. Resolution No. 7567
2. Purchase and Sale Agreement - Updated 6-27-25 (1)
3. Location map

RESOLUTION NO. 7567

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE A PURCHASE AND SALE AGREEMENT AND SPECIAL WARRANTY DEED FOR THE PURCHASE OF THREE LOTS: LOT 1, BLOCK A, IN THE GW BONDS 3RD ADDITION, LOT 9, BLOCK B, GW BONDS 3RD ADDITION AND S. EAST STREET IN THE SAMUEL BLAGG SURVEY, 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 and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a Purchase and Sale Agreement and Special Warranty Deed for the purchase and acquisition of real property from JEJE Holdings LLC, located at Lot 1, Block A in the GW Bonds 3rd Addition, Lot 9, Block B in the GW Bonds 3rd Addition, and S. East Street, in the Samuel Blagg Survey, Sherman, Grayson County, Texas, being more particularly described in the attached Exhibit "A-1" 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 2nd day of September 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS,
EXEC. DIR. OF ADMINISTRATION
ACTING CITY CLERK

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

BY: _____
RYAN D. PITTMAN, CITY ATTORNEY

Exhibit "A-1"

Tract 1:

BEGINNING at a point on the South line of Cherry Street, at the Northeast corner of Lot 3, Block "A", of G.W. Bond's Third Addition or Richland Addition to the City of Sherman as shown by plat of said addition recorded in Volume 35, Page 506 of the Deed Records of Grayson County, Texas;

THENCE Eastward along the South line of Cherry Street and the North line of Lots 2 and 1 of said Block and continuing in the same direction in all 157 ft. more or less, to the West line of railroad right of way;

THENCE Southward with the West line of the railroad right of way to a point in the North line of Magnolia Street;

THENCE Westward with the North line of Magnolia Street 57 feet, more or less, to the Southeast corner of Lot 16 of said Block;

THENCE Northward in the direction of and extending to the Southeast corner of said Lot No. 1;

THENCE Westward in the North line of an alley 100 feet to the Southeast corner of Lot 3d of said Block "A";

THENCE Northward with the East line of said Lot No. 3 to the South line of Cherry Street, the point of beginning, and containing Lots 1 and 2 of said Block "A", and a strip of land 57 feet more or less, lying east of said Block "A" but excluding and excepting from the land hereby conveyed all streets and alleys and easements of every king and character ever, across and along the said real property, and all parts thereof, and LESS, Lot 2, Block "A", Bond's Third or Richland Addition too Sherman; and

LESS AND EXCEPT a tract of ground heretofore conveyed to Jack Massingale, Irvin Suckle, Tessie Shosid Brandt and James Brownlee by the Grantors herein by deed dated the 6th of November, 1957, and recorded in Volume 863, Page 68, of the Deed Records of Grayson County, Texas.

TRACT 2:

A part of the survey originally granted to Samuel Blagg, also being that portion of land lying South of the East extension of the South line of the 20 foot alley in Block "A" Richland Addition of the tract conveyed by G. W. Brown and with to H. W. Witcher by deed dated November 14, 1932, and recorded in Volume 364, Page 39, Deed Records, Grayson County, Texas, and described as follows, to-wit:

BEGINNING at a 1/2" steel rod in the NE corner of Lot 16, of Block "A" of the Richland (or Bond's 3rd) Addition to Sherman, said rod also being in the S line of a 20 foot alley, and 412 ft. N 74 deg. 30' E of the intersection of the western extension of this line with the centerline of the main line tract of the St. Louis, San Francisco & Texas Railway, said rod also being 20 ft. S 16 E of the Se corner of Lot 1 of said Block and Addition;

THENCE S 74 deg. 10’ E with the extension of the S line of said Alley for a distance of 55.52 ft. to a 1/2” steel rod in the W ROW line of the H. & T. C. Railway, said rod being 25 feet at right angles from the centerline of said Railway Main Line tract;

THENCE S 16 deg. 10’ E, parallel to and 25 feet from the centerline of said tract, for a distance of 190 feet to a 1/2” steel rod in the east extension of the S line of Magnolia Street;

THENCE S 74 deg. 30’ W with said extension for a distance of 56.08 feet to a 1/2 steel rod at the NE corner of Lot No. 1 of Block “B” of said Addition;

THENCE N 16 W, parallel to and 412 feed east of the centerline of the main line tract of the St. Louis, San Francisco and Texas Railway, passing the SE corner of Lot 16 Block “A” of said Addition at 50 feet, for a total distance of 190 feet to the place of beginning, and containing 55.52 x 56.08 by 190 feet of land.

TRACT 3:

Situated in the County of Grayson, State of Texas, being part of survey originally granted to Samuel Blagg, and described as follows, to-wit:

BEGINNING at a point in the North line of King Street, at the Southeast corner of Lot No. 16, in Block No. “B” of Bond’s 3rd, or Richland Addition to Sherman, Texas;

THENCE North 74 deg. E., with the north line of King Street, 57 feet to the West right to way line of the H. & T. C. R.R. Co. right of way;

THENCE North 16 deg. West, with the West line of said right of way, 300 feet, a stake;

THENCE South 74 deg. West 57 feet to a stake the N.E. corner of Lot 1, Block “B” of said Addition;

THENCE South 16 deg. East 300 feet to a stake, and the place of beginning, containing 57 x 300 feet of land.

PURCHASE AND SALE AGREEMENT

E. Cherry St. Lot 1, Block A, in the GW Bonds 3rd Addition,
S. East St. in the Samuel Blagg Survey,
Lot 9, Block B, GW Bonds 3rd Addition City of Sherman, Grayson County, Texas

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into among **THE CITY OF SHERMAN, TEXAS**, a home-rule municipality (the "Purchaser") and **JEJE HOLDINGS LLC**, a Texas limited liability company (collectively, "Seller").

WHEREAS, defined terms are indicated by initial capital letters. Defined terms shall have the meaning set forth herein, whether or not such terms are used before or after the definitions are set forth.

WHEREAS, Purchaser desires to purchase the Property and Seller desires to sell the Property, all upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual terms, provisions, covenants and agreements set forth herein, as well as the sums to be paid by Purchaser to Seller, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Purchaser and Seller agree as follows:

ARTICLE 1
BASIC INFORMATION

Section 1.1 Certain Defined Terms

The following defined terms shall have the meanings set forth below:

A. **Purchaser.** The City of Sherman, Texas.

B. **Closing.** The completion of the transaction described in this Agreement.

C. **Closing Date.** The date that is sixty (60) days after the expiration of the Inspection Period.

D. **Cure Period.** The period beginning on the date Seller receives Purchaser's Objections and ending on the date that is ten (10) days thereafter.

E. **Due Diligence Delivery Date.** The date that is ten (10) days after the Effective Date.

F. **Earnest Money.** FIVE HUNDRED AND 00/100 DOLLARS ($500.00).

G. **Earnest Money Delivery Date.** The date that is five (5) business days after the fully executed Agreement is delivered to the Title Company.

H. **Effective Date.** The date on which the fully executed Agreement along with the Earnest Money is receipted by the Title Company, as shown on the Title Company Acceptance Page.

I. **Inspection Period.** The period beginning on the Effective Date and ending on the date that is thirty (30) days after the Effective Date.

J. **Purchase Price.** The sum of ONE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS ($150,000.00).

K. **Purchaser's Broker.** N/A.

L. **Review Period.** The period ending five (5) days after Purchaser's receipt of the later of the (i) initial Title Commitment, (ii) Title Documents, and (iii) the Survey.

M. **Seller's Broker.** N/A

N. **Survey Delivery Date.** The date that is twenty (20) days after the Effective Date.

O. **Title Commitment Delivery Date.** The date that is twenty (20) days after the Effective Date.

P. **Title Company.** Chapin Title Company.

Q. **Title Termination Period.** The period beginning on the expiration of the Cure Period and ending on the date that is five (5) days after the Cure Period.

Section 1.2 **Closing Costs** Closing costs shall be allocated and paid as follows:

COST	RESPONSIBLE PARTY
Title Commitment	Purchaser
Premium for standard form Title Policy	Purchaser
Premium for endorsements or additional coverage for the Title Policy	Purchaser
Recording Fees	Purchaser
Financing expenses for Purchaser's loan, if any	Purchaser
Escrow Fee charged by Title Company	Evenly split between Purchaser and Seller
Commission to Seller's Broker	Seller
All other Closing costs, expenses, charges and fees customarily paid by purchasers in Grayson County	Purchaser

All other Closing costs, expenses, charges and fees customarily paid by sellers in Grayson County, including Schedule C Curative Items	Seller

Section 1.3 Notice Addresses

Purchaser:
City of Sherman
Attn: Zachary Flores, City Manager
220 Mulberry Street
Sherman, Texas 75454
Telephone: 903-819-7452
Email: zacharyf@cityofsherman.com

with copy to:
Abernathy, Roeder, Boyd & Hullett, P.C.
Attn: Ryan D. Pittman
1700 Redbud Boulevard, Suite 300
McKinney, Texas 75069
Telephone: 214-544-4046
Email: rpittman@abernathy-law.com

Seller:
JEJE Holdings, LLC
Attn: Jason Earnhart
2903 Woodlawn Blvd.
Denison, TX 75020
Telephone: 903-462-0014
Email: jason@earnhartbuilt.com

Title Company:
Chapin Title Company
Attn: Tamara Noyes
620 N. Travis St,
Sherman, TX 75090
Telephone: 903-868-1415
Email: Tamara.noyes@chapintitle.com

ARTICLE 2
PROPERTY

Section 2.1 Property Description

Upon the terms and conditions hereinafter stated, Seller hereby agrees to sell and convey to Purchaser the following (collectively, the "Property"):

A. Land. Good and indefeasible title to three tracts of land as described in **Exhibit 1**, attached hereto, in Sherman of Grayson County, Texas (the "Land"), together with all benefits, privileges, easements, tenements, hereditaments, rights and appurtenances thereon or pertaining to such Land.

B. Improvements. All buildings, structures, fixtures, and improvements situated on, in, or under the Land, if any ("Improvements"); all benefits, privileges, tenements, hereditaments, rights and appurtenances thereon or pertaining to the Improvements and all easements owned by Seller, if any, which are used or needed in connection with the operation or development of the Land (the Land and the Improvements are herein referenced as the "Real Property").**Personal Property.** All of Seller's right, title, and interest in any personal property owned by Seller, if any, as of the Closing Date that is attached to or located on and used exclusively in connection with the operation, repair, or maintenance of the Real Property, including but not limited to all fixtures, fittings, appliances, apparatuses, equipment, tools, machinery, heating, ventilating, air-conditioning, lighting, plumbing, and electrical fixtures, hot-water heaters, furnaces, heating controls, Agreement rights, claims, systems, and other items of tangible and intangible personal property and replacements, affixed or attached to, situated on, or used exclusively in connection with the Real Property (collectively, "Personal Property").

C. Licenses and Permits. To the extent assignable by Seller to Purchaser, and to the extent any of the following exist and run with the Land, all of Seller's right, title, and interest in and to (i) licenses, permits, certificates of occupancy, or similar documents relating to the Land; (ii) all permits, approvals, licenses, water and sewer capacity commitments, all engineering and architectural plans; and (iii) all plans, drawings, specifications, surveys, engineering reports, and other technical descriptions of the Land (collectively, "Licenses and Permits").

Section 2.2 Legal Description

The legal description of the Land set forth in the final Survey certified to the Purchaser and Title Company shall be substituted for **Exhibit 1** at a later date as the description of the Property to be conveyed hereunder and shall become part of this Agreement.

ARTICLE 3
PURCHASE PRICE

Purchaser agrees to purchase the Property at the Purchase Price and upon the terms set forth herein. At Closing, Purchaser shall deliver to Seller the Purchase Price in cash or other immediate funds. The parties acknowledge and agree that the Purchase Price includes payment in full to Seller for all relocation benefits and/or assistance under the Texas Property Code and the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C.A. 4601, *et seq*., including but limited to any payments available for expenses actually incurred in relocating and reestablishing a residence at a replacement site, actual moving and related expenses, and costs involved in investigating potential replacement sites and the time of the residence owner, based on salary or earnings, required to apply for licenses or permits, zoning changes, and

attendance at zoning hearings, necessary attorney fees required to obtain such licenses or permits, and time spent in negotiating the purchase of a replacement residence site.

ARTICLE 4
EARNEST MONEY

On or before the Earnest Money Delivery Date, Purchaser shall deposit the Earnest Money in the form of a check or wire transfer with the Title Company in its capacity as escrow agent, to be held in escrow pursuant to the terms of this Agreement. If Purchaser fails to timely deposit the Earnest Money, Seller may terminate this Agreement at any time before Purchaser deposits the Earnest Money with the Title Company, and upon such election, this Agreement shall terminate. Purchaser agrees that One Hundred and No/100 Dollars ($100.00) of the Earnest Money is given as consideration for this Agreement (the "Independent Consideration"), which Independent Consideration shall be applied to the Purchase Price at Closing, but shall not be returned to Purchaser in the event the Earnest Money is otherwise returned to the Purchaser pursuant to the terms of this Agreement. The Earnest Money shall be credited to the Purchase Price at Closing.

ARTICLE 5
DUE DILIGENCE AND CONTINGENCIES

Section 5.1 Survey and Title Review

A. Survey. If there is an existing survey of the Property, Seller, at its sole cost and expense, shall deliver to Purchaser a copy of such survey (the "Survey") on or before the Survey Delivery Date. If a new or updated survey of the Property is required, then such new or updated survey shall be obtained by Purchaser at Purchaser's expense and shall be prepared by a registered land surveyor in conformity with the "Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys" jointly established and adopted by ALTA and NSPS in 2011 (or such local equivalent as may exist with respect to the Property), in conformity with such standards as are required by the Title Company as a condition to the removal of the survey exception from the Title Commitment, and certified to Purchaser, the Title Company and such other parties as Purchaser shall designate by written notice to Seller. Purchaser must review and approve any Survey prepared by or for Purchaser as a condition of Purchaser's obligations at Closing.

B. Title Commitment. On or before the Title Commitment Delivery Date, Seller shall deliver or cause to be delivered to Purchaser (i) a title commitment (the "Title Commitment") covering the Property binding the Title Company to issue a Texas Owner Policy of Title Insurance (the "Title Policy") on the standard form prescribed by the Texas State Board of Insurance at the Closing, in the full amount of the Purchase Price, insuring Purchaser's fee simple title to the Property to be good and indefeasible, subject only to the Permitted Exceptions as defined below, and (ii) the following documents (collectively, the "Title Documents"): (1) true and legible copies of all recorded instruments affecting the Property and recited as exceptions in the Title Commitment, and (2) a current tax certificate.

C. Special Assessment Districts. If the Property is situated within a utility district or flood control district subject to the provisions of Section 50.301, Texas Water Code, then Seller shall give to Purchaser as part of the Title Documents the required written notice and Purchaser

agrees to acknowledge receipt of the notice in writing. The notice must set forth the current tax rate, the current bonded indebtedness and the authorized indebtedness of the district, and must comply with all other applicable requirements of the Texas Water Code. If the Property is subject to mandatory membership in a property owner's association, Seller shall notify Purchaser of the current annual budget of the property owners' association, and the current authorized fees, dues and/or assessments relating to the Property.

D. Review and Cure Period. During the Review Period, Purchaser shall have the opportunity to review the Survey, the Title Commitment, and the Title Documents. If Purchaser has any objections to the Survey, Title Commitment or Title Documents, Purchaser may deliver such objections to Seller in writing within the Review Period (collectively, "Objections"). Purchaser's failure to provide Objections to Seller prior to the expiration of the Review Period shall be a waiver of Purchaser's right to object, and any item to which Purchaser does not include in its Objections on or before to the expiration of the Review Period shall also be deemed a "Permitted Exception." Items that the Title Company identifies as to be released at Closing will be deemed Objections by Purchaser and shall not be Permitted Exceptions. If Purchaser provides Seller with any Objections, Seller may, but is not obligated to attempt to satisfy the Objections within the Cure Period.

E. Failure or Refusal to Cure. If Seller cannot satisfy or chooses not to satisfy Purchaser's Objections within the Cure Period, then Purchaser may terminate this Agreement by delivering a written notice to Seller within the Title Termination Period. If Purchaser terminates this Agreement, the Earnest Money shall be immediately returned to Purchaser and thereafter neither party shall have any rights or obligations under this Agreement (except for those which may expressly survive the termination of this Agreement). If Purchaser does not terminate this Agreement, then Purchaser shall be deemed to have waived any uncured Objections, except for those Objections Seller has agreed to cure, and must accept such title as Seller is able to convey as of Closing, subject to the other terms and provisions of this Agreement. Notwithstanding the foregoing, at or prior to Closing, Seller shall discharge or cause to be discharged all: (i) matters set forth on Schedule C of the Title Commitment; (ii) exceptions to title created after the Effective Date without the written consent of Purchaser; and (iii) judgments, liens and mortgages affecting the Property, and same shall not constitute Permitted Exceptions.

Section 5.2 Due Diligence

On or prior to the Due Diligence Delivery Date, Seller shall deliver to Purchaser copies of all engineering investigations, soils reports, feasibility reports, tests, environmental studies, license agreements, management agreements, and other information related to the Property in Seller's possession or control. Notwithstanding Seller's delivery of the above described studies, tests and other due diligence material, if any, Purchaser acknowledges that any information of any type which Purchaser has received or may receive from Seller, or its agents, is furnished to Purchaser as a courtesy only and on the express condition that Purchaser shall make an independent verification of the accuracy of such information, and that all such information is being furnished without any representation or warranty by Seller as to the truth, accuracy, or completeness of such information; provided, however, that Seller confirms that Seller has no current actual knowledge of any material inaccuracies or errors in any such due diligence materials. Further, as a condition to Seller's delivery of any due diligence materials to Purchaser, Purchaser expressly acknowledges the

foregoing in its acceptance of such due diligence items from Seller, and agrees to waive any and all claims against Seller for any cause of action arising from Purchaser's reliance on such Seller furnished due diligence materials.

Section 5.3 Inspection Period

A. Purchaser's Right to Inspect the Property. Prior to the expiration of the Inspection Period, Purchaser shall have the right to inspect the Property and determine if the same is suitable for Purchaser's intended use. If Purchaser notifies Seller in writing on or before 11:59 p.m. on the last day of the Inspection Period that Purchaser disapproves or is dissatisfied in any way with the Property, such determination to be made in Purchaser's sole and absolute discretion, then this Agreement shall terminate and the Earnest Money heretofore delivered by Purchaser to Title Company shall be returned to Purchaser; provided, however, the Independent Consideration shall not be returned to Purchaser. If Purchaser fails to so notify Seller in writing prior to the expiration of the Inspection Period of Purchaser's election to terminate this Agreement, this Agreement shall continue in full force and effect. Seller hereby grants to Purchaser during the Inspection Period the right to enter upon the Property and conduct such tests as Purchaser deems necessary.

B. Indemnification for Inspection. To the extent permitted by law, Purchaser shall indemnify, defend, and hold harmless Seller from all claims, actions or causes of action which might occur by virtue of the entry upon or testing of the Property and provided further that in the event Purchaser does not return the Property to its condition prior to Purchaser's activities, Purchaser shall be responsible for all damages occasioned to the Property arising out of the entry upon or testing of the Property, and this indemnity and covenant will survive the Closing or termination of this Agreement for a period of twelve (12) months. Notwithstanding the foregoing or anything contained herein to the contrary, Purchaser shall have no obligation to indemnify Seller for any claim, action or cause of action which is caused, in whole or in part, by Seller's grossly negligent act or omission or to the extent caused by the willful misconduct of Seller, nor shall Purchaser be required to indemnify Seller with respect to Purchaser's discovery or disturbance of any preexisting matter on or with respect to the Property existing prior to entry on the Property by Purchaser or Purchaser's agents, independent contractors, servants, or employees, including, but not limited to, any hazardous material or dangerous condition.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

Section 6.1 Seller's Representation and Warranties

Seller represents and warrants to Purchaser as of the Effective Date and as of the Closing as follows:

A. Title. Seller has the right to convey and will convey to Purchaser good and indefeasible fee simple title to the Property free and clear of any and all liens, assessments, unrecorded easements, security interests and other encumbrances except only to the Permitted Exceptions.

B. Licenses. There are no parties in possession of any portion of the Property as licensees, tenants at sufferance or trespassers except for those disclosed, and delivered to Seller as part of the due diligence materials.

C. Negative Covenants. Seller shall not further encumber any of the Property or allow an encumbrance upon the title to any of the Property without the written consent of Purchaser.

D. Liens and Debts. There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Property, and Seller shall not allow any such liens to attach to the Property prior to Closing, which will not be satisfied out of the Closing proceeds. All obligations of Seller arising from the ownership and operation of the Property and any business operated on the Property, if any, including, but not limited to, taxes, leasing commissions, salaries, and similar agreements, have been paid or will be paid prior to Closing. Except for obligations for which provisions are made in this Agreement for prorating at Closing, there will be no obligations of Seller with respect to the Property outstanding as of Closing.

E. Litigation. To Seller's knowledge, there is no pending or threatened litigation, condemnation, or assessment affecting any of the Property. Seller shall promptly advise Purchaser of any litigation, condemnation or assessment affecting any of Property which is threatened or instituted after the Effective Date.

F. Operation of the Property. After the Effective Date through the Closing Date, Seller shall maintain the Property in the same condition and in the same manner as existed on the Effective Date, except for ordinary wear and tear and any casualty loss.

G. Patriot Act. To the extent applicable to Seller, Seller has complied in all material respects with the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the regulations promulgated thereunder, and the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), to the extent such laws are applicable to Seller. To the best of Seller's knowledge, Seller is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the OFAC, or is a resident in, or organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

H. Organization and Authority. The execution and delivery of this Agreement by those executing this Agreement on Seller's behalf and Seller's performance of this Agreement has been duly authorized by Seller, and this Agreement is binding on Seller and enforceable against Seller in accordance with its terms. The execution of this Agreement and the consummation of the

transaction contemplated herein will not violate any restriction, court order or agreement to which Seller or the Property is subject.

I. No Prohibitions. Neither Seller, nor any employee executing this Agreement on behalf of Seller is prohibited from (i) executing or delivering this Agreement; (ii) complying with the terms of this Agreement or (iii) consummating the transactions contemplated by this Agreement by any applicable governmental requirement, agreement, instrument, restriction, or by a judgment, order or decree of any governmental authority having jurisdiction over Seller or the Property.

J. Compliance with Laws. To the best of Seller's current actual knowledge, neither the Property, nor Seller are currently subject to (i) any existing, pending or threatened investigation or inquiry by any governmental authority or (ii) any remedial obligations, under any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), or any restrictive covenant or deed restriction or zoning ordinance or classification affecting the Property, including, without limitation, all applicable building codes, fire codes, health codes, water codes, flood disaster laws and health and Environmental Laws and regulations (hereinafter sometimes collectively called the "Applicable Laws"). Seller has received no notice from any municipal, state, federal or other governmental authority of any violation of any Applicable Laws issued in respect of the Property which has not been heretofore corrected, and no such violation exists.

K. "AS IS". EXCEPT AS EXPRESSLY PROVIDED HEREIN, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO MATTERS OF TITLE (OTHER THAN SELLER'S WARRANTY OF TITLE SET FORTH IN THE DEED TO BE DELIVERED AT CLOSING), ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITION, ABSENCE OF LATENT DEFECTS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY. EXCEPT AS EXPRESSLY PROVIDED HEREIN, PURCHASER AGREES THAT WITH RESPECT TO THE PROPERTY, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR SELLER'S REPRESENTATIVES. PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND RELY UPON SAME, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, LATENT DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. EXCEPT AS EXPRESSLY PROVIDED HEREIN, PURCHASER AGREES TO TAKE WHATEVER ACTION AND PERFORM WHATEVER INVESTIGATIONS AND STUDIES PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OF, OR CURATIVE

ACTION TO BE TAKEN WITH RESPECT TO, ANY HAZARDOUS AND/OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS", WITH ALL FAULTS AND THERE ARE NO ORAL OR WRITTEN AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER OR ANY THIRD PARTY. FURTHER, PURCHASER HEREBY ACKNOWLEDGES TO SELLER THAT PURCHASER AND SELLER ARE NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION. THE TERMS AND CONDITIONS OF THIS PARAGRAPH SHALL EXPRESSLY SURVIVE THE CLOSING AND SHALL NOT BE MERGED THEREIN.

Section 6.2 Purchaser's Representations and Warranties

Purchaser represents and warrants to Seller as of the Effective Date and as of the Closing as follows:

A. Organization and Authority. Purchaser is a home-rule municipality validly existing under the laws of the State of Texas. The execution and delivery of this Agreement by those executing this Agreement on Purchaser's behalf and Purchaser's performance of this Agreement has been duly authorized by Purchaser, and this Agreement is binding on Purchaser and enforceable against Purchaser in accordance with its terms. The execution of this Agreement and the consummation of the transaction contemplated herein will not violate any restriction, court order or agreement to which Purchaser is subject. If Purchaser assigns this Agreement to an allowed third party, such entity shall be duly organized, validly existing and in good standing under the laws of the State of Texas and have all the requisite power and authority to enter into, deliver and perform this Agreement.

B. Litigation. To Purchaser's knowledge, there is no pending or threatened litigation affecting Purchaser that would materially impact the transaction described in this Agreement. Purchaser shall promptly advise Seller of any litigation affecting Purchaser and its ability to consummate the transaction contemplated herein which is threatened or instituted after the Effective Date.

C. Patriot Act. To the extent applicable to Purchaser, Purchaser has complied in all material respects with the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the regulations promulgated thereunder, and the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), to the extent such laws are applicable to Purchaser. To the best of Purchaser's knowledge, Purchaser is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the OFAC, or is a resident in, or organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or

procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

D. No Prohibitions. Neither Purchaser, nor any employee executing this Agreement on behalf of Purchaser is prohibited from (i) executing or delivering this Agreement; (ii) complying with the terms of this Agreement or (iii) consummating the transactions contemplated by this Agreement by any applicable governmental requirement, agreement, instrument, restriction, or by a judgment, order or decree of any governmental authority having jurisdiction over Purchaser.

Section 6.3 Knowledge

A. Seller's Knowledge. For purposes of this Agreement and any closing document, whenever the phrase "to Seller's actual knowledge," "to Seller's knowledge," "the knowledge of Seller," or "to the best of Seller's knowledge" or similar words of similar import are used, they shall be deemed to refer to facts within the actual knowledge of Jason Earnhart at the times indicated only, without independent inquiry, without any actual or implied duty of inquiry whatsoever and without imputation to such person of the knowledge of any other person. The named individual is acting for and on behalf of Seller and in a capacity as an officer or representative of Seller and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Purchaser waives any right to sue or seek any personal judgment or claim against such individual.

B. Purchaser's Knowledge. For purposes of this Agreement and any closing document, whenever the phrase "to Purchaser's actual knowledge," "to Purchaser's knowledge," "the knowledge of Purchaser," or "to the best of Purchaser's knowledge" or similar words of similar import are used, they shall be deemed to refer to facts within the actual knowledge of Zachary Flores, at the times indicated only, without independent inquiry, without any actual or implied duty of inquiry whatsoever and without imputation to such person of the knowledge of any other person. The named individual is acting for and on behalf of Purchaser and in a capacity as an officer or representative of Purchaser and is in no manner expressly or impliedly making any representations or warranties in an individual capacity. Seller waives any right to sue or seek any personal judgment or claim against such individual.

Section 6.4 Remedies

If either party discovers prior to Closing that any of the other party's representations or warranties have been misrepresented or are inaccurate, such discovering party may notify the party with deficient representations and/or warranties in writing, and the deficient party may attempt to correct or remedy the misrepresentation or inaccuracy. If the misrepresentation or inaccuracy is not remedied prior to Closing, upon written notice to the deficient party, the discovering party may: (i) proceed to Closing without waiving any claim for breach of warranty or misrepresentation; (ii) delay Closing until ten (10) days after the misrepresentation or inaccuracy is remedied; or (iii) exercise any remedies available for default by the deficient party under this Agreement.

Section 6.5 Non-Conformance

Purchaser has or will independently investigate and verify to Purchaser's satisfaction the extent of any limitations or permitted uses of the Property. Purchaser acknowledges that the current use of the Property or any improvements located on the Property (or both) may not conform to applicable Federal, State or municipal laws, ordinances, codes or regulations. Zoning, permitted uses, height limitations, setback requirements, minimum parking requirements, limitations on coverage of improvements to total area of land, requirements of the Americans with Disabilities Act, wetlands restrictions and other matters may have a significant economic impact upon Purchaser's intended use of the Property. Purchaser is not relying upon any warranties or representations of Seller concerning the permitted uses of the Property or with respect to any nonconformance of the Property.

ARTICLE 7
CLOSING

Section 7.1 Closing Date

The Closing shall occur on or before the Closing Date. Seller shall deliver possession of the Property at Closing.

Section 7.2 Seller's Closing Documents

At the Closing, Seller shall deliver the following to Purchaser:

A. A duly executed Special Warranty Deed (the "Deed"), in the form attached hereto as **Exhibit A**, conveying the Property to Purchaser in fee simple, subject only to the Permitted Exceptions;

B. The Title Policy issued by the underwriter for the Title Company pursuant to the Title Commitment, subject only to the Permitted Exceptions, in the full amount of the Purchase Price, dated as of the date of Closing, and with the survey exception deleted except as to "shortages in area;"

C. A FIRPTA certificate, duly executed and acknowledged by Seller;

D. A general assignment assigning to Purchaser all of Seller's interest in any Licenses and Permits;

E. An assignment to Purchaser of Seller's interest in any Leases;

F. Evidence of Seller's authority and capacity to close this transaction; and

G. All other documents reasonably required by the Title Company from Seller to close this transaction.

Section 7.3 Purchaser's Closing Documents

At the Closing, Purchaser shall deliver the following to Seller:

A. The Purchase Price;

B. Evidence of Purchaser's authority and capacity to close this transaction;

C. All other documents reasonably required by the Title Company from Purchaser to close this transaction.

Section 7.4 Closing Costs

Each party shall pay its respective costs associated with the Closing in accordance with Section 1.2 above.

Section 7.5 Ad Valorem Taxes

All state, county, and municipal taxes for the then current year relating to the Property shall be prorated as of the Closing Date and, in accordance with the provisions of Section 26.11 of the Texas Tax Code, the Title Company shall collect from Seller its portion of such taxes and remit the same to the appropriate taxing jurisdictions. This provision shall survive the Closing.

NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES. If for the current ad valorem tax year the taxable value of the Property that is the subject of this Agreement is determined by a special appraisal method that allows for appraisal of the Property at less than its market value, the person to whom the Property is transferred may not be allowed to qualify the Property for that special appraisal in a subsequent tax year and the Property may then be appraised at its full market value. In addition, the transfer of the Property or a subsequent change in the use of the Property may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the Property. The taxable value of the Property and the applicable method of appraisal is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

ARTICLE 8
CASUALTY LOSS; CONDEMNATION.

All risk of loss to the Property shall remain upon Seller prior to the Closing. If, prior to the Closing, any portion of the Property is damaged or destroyed by fire or other casualty, or subject to a condemnation or taking or the threat of a condemnation or taking, Purchaser may either terminate this Agreement by delivering a written termination notice to Seller or elect to close. If the transaction is to proceed to Closing, there shall be no reduction in the Purchase Price, but Seller shall assign to Purchaser all of Seller's right and interest in any insurance proceeds and/or condemnation awards, as applicable, plus an amount equal to any insurance deductible.

ARTICLE 9
DEFAULT

Section 9.1 Purchaser's Remedies

If Seller fails to perform its obligations under this Agreement for any reason except Purchaser's default, which continues for more than ten (10) days following delivery of written

notice of such default from Purchaser to Seller, then Seller shall be in default and Purchaser may elect to (i) terminate this Agreement and receive the Earnest Money, or (ii) pursue the remedy of specific performance.

Section 9.2 Seller's Remedies

If Purchaser fails to perform its obligations under this Agreement for any reason except Seller's default, which continues for more than ten (10) days following delivery of written notice of such default from Seller to Purchaser, then Purchaser shall be in default, and Seller may terminate this Agreement and receive the Earnest Money, as Seller's sole and exclusive remedies.

ARTICLE 10
REAL ESTATE COMMISSIONS

If and only if, as and when this transaction is closed, Seller shall pay a commission to Seller's Broker in an amount set forth in a separate agreement between Seller and Seller's Broker (the "Commission"). The Commission shall be payable at Closing, if, as and when Closing occurs and the transaction is funded. It is expressly understood, acknowledged and agreed that Seller's Broker's right to such Commission shall vest only upon the actual Closing and funding of this Agreement and no Commission shall be earned, due or owing in the event the purchase and sale transaction contemplated herein shall fail to close for any reason whatsoever including, but not limited to, the default of either Seller or Purchaser. In no event whatsoever shall any Seller's Broker be entitled to receive any portion of the Earnest Money. Each party hereto represents to the other that, except as set forth above with respect to Seller's Broker, it has not authorized any other broker or finder to act on its behalf in connection with the sale and purchase transaction contemplated hereby and that it has not dealt with any broker or finder purporting to act for any other party. Each party hereto agrees, to the extent permitted by law, to indemnify and hold harmless the other party from and against any and all liabilities, costs, damages and expenses of any kind or character arising from any claims for brokerage or finder's fees, commissions or other similar fees in connection with the transactions covered by this Agreement insofar as such claims shall be based upon alleged arrangements or agreements made by such party or on its behalf, which indemnity shall expressly survive any termination or Closing of this Agreement.

ARTICLE 11
MISCELLANEOUS PROVISIONS

Section 11.1 Notices

All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed delivered on the earlier of: (i) actual receipt, if delivered in person or by messenger with evidence of delivery; (ii) the date and time of transmission if delivered by email; or (iii) three (3) business days after deposit in the United States Mail as required below. Notices delivered by mail must be deposited with the U.S. Postal Service and sent by certified mail return receipt requested with postage prepaid, and properly addressed to the intended recipient at the address set forth below. Any party may change its address for notice purposes by delivering written notice of its new address to all other parties in the manner set forth above.

Section 11.2 Forms and Construction

This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions hereof shall be construed in accordance with their usual and customary meanings. Seller and Purchaser hereby waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of the same.

Section 11.3 Attorney's Fees

The prevailing party in any legal proceeding brought in relation to this Agreement or transaction shall be entitled to recover from the non-prevailing party's court costs, reasonable attorneys' fees and all other reasonable litigation expenses.

Section 11.4 Assignment

Purchaser may not assign this Agreement without the prior written consent of Seller. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to any affiliated entity which directly or indirectly controls, is controlled by or is under common control with Purchaser without the consent of Seller, on the condition that the assignee expressly assumes all of the obligations of Purchaser hereunder in a written agreement, and such written agreement is delivered to Seller prior to the Closing Date. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devises of the parties.

Section 11.5 Integration

This Agreement contains the complete agreement between the parties with respect to the Property and cannot be varied except by written agreement of the parties hereto. The parties agree that there are no oral or signed agreements, understandings, representations or warranties made by the parties which are not expressly set forth herein.

Section 11.6 Survival

Any warranty, representation, covenant, condition or obligation contained in this Agreement not otherwise consummated at the Closing will survive the Closing of this transaction for a period of one (1) year.

Section 11.7 Binding Effect

This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective heirs, legal representatives, successors and assigns.

Section 11.8 Time for Performance

Time is of the essence under each provision of this Agreement. If any date of performance hereunder falls upon a Saturday, Sunday or recognized holiday, such date will be deemed moved forward to the next day which is not a Saturday, Sunday or recognized holiday.

Section 11.9 Business Day

The term "business day" shall mean days elapsed exclusive of Saturday, Sunday or recognized holidays.

Section 11.10 Governing Law

This Agreement shall be construed under and governed by the laws of the State of Texas, and unless otherwise provided herein, all obligations of the parties created under this Agreement are to be performed in the county where the Property is located.

Section 11.11 Severability

If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the invalid, illegal or unenforceable provision shall not affect any other provisions, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision is severed and deleted from this Agreement.

Section 11.12 Counterparts

This Agreement may be executed in a number of identical counterparts. Each counterpart is deemed an original and all counterparts shall, collectively, constitute one agreement. Executed documents transmitted electronically shall be considered originals.

Section 11.13 Gender; Number

Unless the context requires otherwise, all pronouns used in this Agreement shall be construed to include the other genders, whether used in the masculine, feminine or neuter gender. Words in the singular number shall be construed to include the plural, and words in the plural shall be construed to include the singular.

Section 11.14 Immunity

It is expressly understood and agreed that, in the execution and performance of this Agreement, Purchaser has not waived, nor shall be deemed hereby 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.

Section 11.15 Further Assurances

The parties each agree that at any time, or from time to time, after the execution of this Agreement each party will, upon the request of the other party hereto, execute and deliver such

further documents and do such further acts and things as such other party may reasonably request in order to effect fully the purposes of this Agreement.

Section 11.16 Certifications Required by Texas Law

In accordance with Chapter 2270 of the Texas Government Code, Seller hereby certifies that Seller (a) does not boycott Israel; and (b) will not boycott Israel during the term of any contract with Purchaser, including during the term of this Agreement. In accordance with Chapter 809 of the Texas Government Code (to the extent applicable), Seller hereby certifies that Seller does not boycott energy companies and will not boycott energy companies during the term of any contract with Purchaser, including during the term of this Agreement. In accordance with Chapter 2274 of the Texas Government Code (to the extent applicable), Seller hereby certifies that Seller does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of any contract with Purchaser, including during the term of this Agreement. In accordance with Chapter 2252 of the Texas Government Code (to the extent applicable), Seller hereby certifies that it is not engaged in business with Iran, Sudan or a foreign terrorist organization identified on a list prepared and maintained under Sections 806.051, 807.051 or 2252.153 of the Texas Government Code. The foregoing terms have the meanings ascribed to them in the referenced statutes if defined therein.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

EXECUTED on the dates stated below, but to be **EFFECTIVE** on the Effective Date defined herein.

PURCHASER:
CITY OF SHERMAN, TEXAS,
a home-rule municipality

Date:_____

By:_____
Zachary Flores, City Manager

SELLER:
JEJE Holdings, LLC,
a Texas limited liability company

Date: 8/15/2025

By: Jason Earnhart
Jason Earnhart, Member

TITLE COMPANY ACCEPTANCE

The Title Company acknowledges receipt of the executed Agreement and Earnest Money on _____, 2025, at _____(a.m./p.m.) and has accepted the Earnest Money subject to the terms and conditions set forth in this Agreement.

TITLE COMPANY:

CHAPIN TITLE COMPANY

By: _____
Name: _____
Title: _____

EXHIBIT "A"
FORM OF SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS' LICENSE NUMBER.

After Recording Return to:
City of Sherman
Office of the City Attorney
P. O. Box 1106
Sherman, TX 75091-1106

SPECIAL WARRANTY DEED

STATE OF TEXAS §
§ KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF GRAYSON §

As used herein, the following terms shall have the following meanings:

Effective Date: _____, 2025

Grantor: JEJE HOLDINGS LLC

Grantor's Mailing Address: _____
_____

Grantee: CITY OF SHERMAN, TEXAS, a home-rule municipality

Grantee's Mailing Address: P.O. Box 1106
Sherman, TX 75091

Consideration: TEN DOLLARS ($10.00) cash and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged

Property (including any improvements):

__ ± acre of land, situated in the _____ Survey, Abstract No. ___, City of Sherman, Grayson County, Texas, as more particularly described and depicted in Exhibit 1, attached hereto and incorporated herein for all purposes ("Property").

1This conveyance shall include all and singular the rights and appurtenances pertaining to the Property, including any right, title and interest in and to adjacent streets, roads, alleys or rights-of-way; all oil, gas and other minerals; and any improvements, fixtures, and personal property situated on or attached to the Property.

Reservations from and Exceptions to Conveyance and Warranty:

Permitted Encumbrances, if any, listed on Exhibit 2, attached hereto and incorporated herein for all purposes.

Grantor, for the Consideration and subject to the Reservations from and Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through or under Grantor but not otherwise, except as to the Reservations from and Exceptions to Conveyance and Warranty.

Each individual executing this instrument on behalf of Grantor represents that all appropriate and necessary actions have been taken to authorize the individual who is executing this instrument to do so for and on behalf of Grantor, that there are no other parties or entities required to execute this instrument in order for the same to be an authorized and binding agreement on Grantor and that the individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

It is understood and agreed that the consideration received by Grantor hereunder includes adequate compensation for the grant of the rights hereunder and for all damages arising out of the construction, reconstruction, repair, operation and maintenance of roadway or other public facilities.

This instrument shall be binding on, and inure to the benefit of, Grantee and Grantor and their respective successors or assigns.

This instrument may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

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

[*Signature pages follow*.]

1EXECUTED on the dates of the acknowledgments, but to be EFFECTIVE on the _____ day of _____, 2025.

JEJE HOLDINGS LLC

By: _____

Printed Name: _____

Its: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me that he is the _____ and duly authorized representative of **JEJE HOLDINGS LLC**, and that he executed the same for the purposes and consideration therein stated and in the capacity therein stated as the act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office this _____ day of _____, 2025.

_____
Notary Public, State of Texas
My Commission Expires:_____

AGREED AND ACCEPTED:

CITY OF SHERMAN, TEXAS

By: _____
Zachary Flores, City Manager

STATE OF TEXAS §
§
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared **ZACHARY FLORES**, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me that he is the City Manager and duly authorized representative of the **CITY OF SHERMAN, TEXAS**, a home-rule municipality, and that he executed the same for the purposes and consideration therein stated and in the capacity therein stated as the act and deed of the City of Sherman, Texas.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office this _____ day of _____, 2025.

_____
Notary Public, State of Texas
My Commission Expires:_____

ATTEST:

BY: _____
City Clerk

APPROVED AS TO FORM AND
CONTENT:
Abernathy, Roeder, Boyd & Hullett, P.C.

By: _____
Ryan D. Pittman, City Attorney

EXHIBIT 1
Legal Description of the Property

Tract 1:

BEGINNING at a point on the South line of Cherry Street, at the Northeast corner of Lot 3, Block "A", of G.W. Bond's Third Addition or Richland Addition to the City of Sherman as shown by plat of said addition recorded in Volume 35, Page 506 of the Deed Records of Grayson County, Texas;

THENCE Eastward along the South line of Cherry Street and the North line of Lots 2 and 1 of said Block and continuing in the same direction in all 157 ft. more or less, to the West line of railroad right of way;

THENCE Southward with the West line of the railroad right of way to a point in the North line of Magnolia Street;

THENCE Westward with the North line of Magnolia Street 57 feet, more or less, to the Southeast corner of Lot 16 of said Block;

THENCE Northward in the direction of and extending to the Southeast corner of said Lot No. 1;

THENCE Westward in the North line of an alley 100 feet to the Southeast corner of Lot 3d of said Block "A";

THENCE Northward with the East line of said Lot No. 3 to the South line of Cherry Street, the point of beginning, and containing Lots 1 and 2 of said Block "A", and a strip of land 57 feet more or less, lying east of said Block "A" but excluding and excepting from the land hereby conveyed all streets and alleys and easements of every king and character ever, across and along the said real property, and all parts thereof, and LESS, Lot 2, Block "A", Bond's Third or Richland Addition too Sherman; and

LESS AND EXCEPT a tract of ground heretofore conveyed to Jack Massingale, Irvin Suckle, Tessie Shosid Brandt and James Brownlee by the Grantors herein by deed dated the 6th of November, 1957, and recorded in Volume 863, Page 68, of the Deed Records of Grayson County, Texas.

TRACT 2:

A part of the survey originally granted to Samuel Blagg, also being that portion of land lying South of the East extension of the South line of the 20 foot alley in Block "A" Richland Addition of the tract conveyed by G. W. Brown and with to H. W. Witcher by deed dated November 14, 1932, and recorded in Volume 364, Page 39, Deed Records, Grayson County, Texas, and described as follows, to-wit:

BEGINNING at a 1/2" steel rod in the NE corner of Lot 16, of Block "A" of the Richland (or Bond's 3rd) Addition to Sherman, said rod also being in the S line of a 20 foot alley, and 412 ft. N 74 deg. 30' E of the intersection of the western extension of this line with the centerline of the main line tract of the St. Louis, San Francisco & Texas Railway, said rod also being 20 ft. S 16 E of the Se corner of Lot 1 of said Block and Addition;

THENCE S 74 deg. 10' E with the extension of the S line of said Alley fo a distance of 55.52 ft. to a 1/2" steel rod in the W ROW line of the H. & T. C. Railway, said rod being 25 feet at right angles from the centerline of said Railway Main Line tract;

THENCE S 16 deg. 10' E, parallel to and 25 feet from the centerline of said tract, for a distance of 190 feet to a 1/2" steel rod in the east extension of the S line of Magnolia Street;

THENCE S 74 deg. 30' W with said extension for a distance of 56.08 feet to a 1/2 steel rod at the NE corner of Lot No. 1 of Block "B" of said Addition;

THENCE N 16 W, parallel to and 412 feed east of the centerline of the main line tract of the St. Louis, San Francisco and Texas Railway, passing the SE corner of Lot 16 Block "A" of said Addition at 50 feet, for a total distance of 190 feet to the place of beginning, and containing 55.52 x 56.08 by 190 feet of land.

TRACT 3:

Situated in the County of Grayson, State of Texas, being part of survey originally granted to Samuel Blagg, and described as follows, to-wit:

BEGINNING at a point in the North line of King Street, at the Southeast corner of Lot No. 16, in Block No. "B" of Bond's 3rd, or Richland Addition to Sherman, Texas;

THENCE North 74 deg. E., with the north line of King Street, 57 feet to the West right to way line of the H. & T. C. R.R. Co. right of way;

THENCE North 16 deg. West, with the West line of said right of way, 300 feet, a stake;

THENCE South 74 deg. West 57 feet to a stake the N.E. corner of Lot 1, Block "B" of said Addition;

THENCE South 16 deg. East 300 feet to a stake, and the place of beginning, containing 57 x 300 feet of land.

EXHIBIT 2
The Permitted Exceptions

Sherman
Development
Engineering
Group

Property Acquisition
Cherry St, BNSF RR, King St, East St
1" = 150'

NORTH

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. F.3.

Meeting Date: 9/2/2025

Prepared By: Tasheena Taylor, Records & Information Coordinator

Approved By: Zachary Flores, Acting City Manager

Caption:

RESOLUTION NO. 7568

Authorizing Execution Of A Joint Election Agreement With Grayson County, Texas, To Hold A Joint Election On November 4, 2025

Issue:

To approve an agreement between the City of Sherman and Grayson County, Texas, for the administration of the General Election on November 4, 2025, to fill the expiring terms of the City Council, District No. 1 and District No. 3.

Background:

The City has regularly contracted with Grayson County for Election Administration. This is a routine agreement to conduct a general election.

Capital Improvement Program:

Origination:

The request originated with the City Clerk's Office.

Financial Consideration:

Election is estimated to cost approximately $10,150.

Staff Recommendation:

It is the staff recommendation that the Council approve a contract with Grayson County to administer the Election.

Alternatives:

The City could hold their own Election.

Attachments:

1. Resolution No. 7568
2. 2025 CITY OF SHERMAN NOVEMBER Joint Election Agreement_
3. DRAFT 2 sided flyer Polling sites English and Spanish

RESOLUTION NO. 7568

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A JOINT ELECTION AGREEMENT WITH GRAYSON COUNTY, TEXAS, TO HOLD A JOINT ELECTION ON NOVEMBER 4, 2025; 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 Mayor 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 Grayson County, Texas, to hold a joint election on November 4, 2025, in accordance with the terms and provisions of the agreement 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 SHERAMAN, TEXAS on this the 2nd day of September 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS, ACTING CITY CLERK
EXEC. DIR. OF ADMINISTRATION

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

BY: _____
RYAN PITTMAN

JOINT ELECTION AGREEMENT

THE STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF GRAYSON §

PARTIES

THIS AGREEMENT is entered into by and between **CITY OF SHERMAN** (CITY) and **GRAYSON COUNTY** (COUNTY) under the authority of Section 271 of the Texas Election Code.

PURPOSE

The CITY and COUNTY hereby contract and agree to hold a joint election on the 4th day of November 2025, and thereby reduce their costs, expenses and work force requirements.

DESIGNATION OF VOTE CENTERS

The CITY and COUNTY shall designate, secure, and share common countywide polling places as required pursuant to Texas Election Codes 42.002, 43.004 and 43.007(e).

COMMON BALLOT

The CITY and COUNTY shall share a common ballot and equipment. Equipment that will be used in this election will include Election Systems and Software ExpressVote ballot marking devices and DS200 tabulating scanners. VOTEC electronic poll book equipment will be used to qualify voters to vote.

The CITY shall provide ballot language and ballot order to COUNTY in English and Spanish on or before August 08, 2025. The CITY will proof, in a timely manner, all ballot language. Proofs will be submitted prior to ballots being printed and equipment tested.

SUPPLIES, EQUIPMENT AND PAYMENT OF WORKERS

For the performance of duties and services and the providing of equipment and supplies, the CITY shall pay the COUNTY for the actual expenses incurred which are directly attributable to their portion of the election, in accordance with Section 31.100, Texas Election Code. Expenses include, without limitation, the costs of election supplies, newspaper notice publication, use of voting machines and equipment, wages and salaries of all election workers, programming the ballot, ballot printing costs, logic and accuracy testing, voting machines and equipment transportation.

COUNTY will be responsible for appointing all election judges, clerks, and workers necessary for this joint election. COUNTY shall be responsible for issuing payment for all such costs and expenses of the election judges, clerks, and workers for the joint election.

Election Judges and members of the ballot board receive $13.00 per hour for services rendered. Alternate election judges receive $12.00 per hour for services rendered. Election clerks receive $11.00 per hour for services rendered. Election Judges will be compensated for the delivery of supplies in the amount of $25.00. Each ENTITY will incur a pro rata share of worker expenses. Election Judges shall return election supplies to the Grayson County Election Administrator's office located at 115 W. Houston St., Sherman, Texas 75090.

For the performance of duties and services and the providing of equipment and supplies under Paragraph 1 above, the CITY shall pay the COUNTY a fee of 10% of the total amount of the contract (but not less than $75) in accordance with Section 31.100(d), Texas Election Code.

EARLY VOTING

Early Voting shall be held during the period of October 20, 2025, through October 31, 2025. The Grayson County Elections Administrator (EA) shall serve as Early Voting Clerk for the joint election and oversee all aspects of early voting by personal appearance and by mail.

The Joint Early Voting Clerk shall conduct and supervise the early voting procedures of those individuals voting by personal appearance. The main early voting location is 115 W. Houston St., Sherman, Texas, 75090.

The Joint Early Voting Clerk will process all requests for applications for mail ballots. The Joint Early Voting Clerk shall (1) mail an application for such ballot; (2) verify qualifications to vote as stated on the application; (3) mail a ballot to the applicant; (4) receive the mailed-in ballot; (5) verify the information appearing on the outside of the Early Voting mail ballot envelope; and (6) process the ballot as required by law.

Applications for ballot by mail shall be submitted to: Early Voting Clerk, Grayson County Elections, 115 W. Houston St., Sherman, Texas, 75090. The deadline for the early voting clerk to receive an application to vote by mail is October 24, 2025.

ELECTION RECORDS

Each CITY will be custodian of individual records for their particular CITY. Forms and records for the joint election will be combined wherever possible and stored for the mandated length of 22 months at Grayson County Elections Administration, 115 W. Houston St., Sherman, Texas, 75090.

LEGAL NOTICES

COUNTY shall publish all legal notices required by law for the joint election. The CITY will publish additional required notices at their own expense.

CANVASSING THE RETURNS

The CITY and COUNTY shall be responsible for canvassing their own returns at their own expense. The COUNTY will provide canvassing reports to all entities no later than November 18, 2025.

The COUNTY shall release unofficial cumulative totals and precinct returns from the election to the joint participants, candidates and general public by distribution of hard copies at the central counting station (if requested) and by posting same to the Grayson County Election's website. To ensure the accuracy of reported election returns, results printed on the reports produced by Grayson County's voting equipment will not be released to the participating authorities from the individual polling locations.

Election night reports will be available after tabulation is complete. Early voting results will be released and posted to the Grayson County Elections website after 7 pm on Election Day. Provisional ballots will be tabulated after election night in accordance with the law.

Each participating authority shall be responsible for the official canvass of its respective election(s), and shall notify the Elections Administrator, or their designee, of the date of the canvass, no later than three (3) days after Election Day.

BINDING AUTHORITY

By their signatures below, the individuals represent that they have express authority to enter into this agreement.

GENERAL PROVISIONS

In the event of a contested election, the applicable CITY agrees to provide competent legal counsel representation for the Elections Administrator (EA) and staff, covering any and all legal fees and costs as a result of this elections process.

In the event of a recount, CITY agrees to reimburse any expenses incurred by the EA's office not covered by the charges assessed to the person requesting the recount. This would include, but not be limited to the compensation costs of any Grayson County Election personnel required to work beyond regular office hours in order to conduct said recount of this election. The recount shall take place at the EA's office and the EA's office shall assist the Recount Supervisor and/or Recount Coordinator in the completion of the recount.

The CITY agrees to save and hold harmless the COUNTY from any and all claims arising out of the failure or omission of the CITY to perform its obligations under this contract.

The COUNTY agrees to save and hold harmless the CITY from any and all claims arising out of the failure or omission of the COUNTY to perform their obligations under this contract.

Nothing contained in this contract shall authorize or permit a change in the officer with whom or the place at which any document or record relating to the November 4, 2025 Election is to be filed or the place at which any function is to be carried out, or any nontransferable functions specified under Section 31.096 of the Texas Election Code.

Upon request, the EA shall provide copies of all invoices, cost reports and other charges incurred in the process of administering said election for the CITY.

The EA shall file copies of this contract with the County Auditor and the County Treasurer of Grayson County, Texas.

If either entity cancels their election pursuant to Section 31.100(d) of the Texas Election Code, that entity shall bear any costs incurred by the EA in conducting the November 4, 2025, election. A fee charged by the Officer of General Supervision of the Election may not exceed 10 percent of the total amount of the contract, but may not be less than $75.00.

Cost Estimate-November 4, 2025

DESCRIPTION	AMOUNT
Early Voting Workers (1 Judge; 1 Alt. Judge; 1 Clerk)	4,500.00
Election Day Workers (1 Judge; 1 Alt. Judge; 1 Clerk)	500.00
Voting Machine Rental (2 Ballot Marking Devices-same devices used early voting & Election Day)	800.00
Scanner Rental (1 for early voting & 1 for Election Day)	600.00
Polling Location Supplies-Early Voting & Election Day	280.00
Equipment and Supply Delivery; Site Support	100.00
Mail Ballots, Ballot Processing and Ballot Board	200.00
Logic and Accuracy Testing, Electronic Media Rental and Election Results Tabulation	750.00
Programming for Electronic Voting Machines (ES&S)	1,500.00
SUBTOTAL	9,230.00
10% Administrative Fee	923.00
ESTIMATE TOTAL	10,153.00

EFFECTIVE DATE

This agreement is effective upon its signing and approval of all respective City Council and Grayson County Elections Administration.

EXECUTED this the _____ day of _____, 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN
MAYOR

ATTEST:

BY: _____
TASHEENA "SHEENA" TAYLOR
RECORDS & INFORMATION COORDINATOR

GRAYSON COUNTY, TEXAS

ATTEST:

BY: _____
JULIE PHILLIPS
ELECTIONS ADMINISTRATOR

GRAYSON COUNTY ELECTION DAY VOTE CENTERS

Centros Electorales del Dia de Votacion del Condado Grayson

NOVEMBER 4, 2025 SPECIAL ELECTION

4 de Noviembre 2025 Eleccion Enmienda Constitucional

ELECTION DAY POLLS OPEN 7:00 A.M. – 7:00 P.M.

Encuestas electorales abren de 7:00am – 7:00pm

Grayson County voters may vote at ANY location listed below:

Los votantes del Condado de Grayson pueden votar en cualquier direccion que se indica a continuacion:

Bells City Hall, Council Chambers
203 S. Broadway, Bells

Grayson County Sub-Courthouse, JP courtroom
101 W. Woodard, Denison

Mt. Olive Gymnasium, 920 W Texas, Denison

Grayson College, SAB training room
6101 Grayson Dr., Denison

Gunter First Baptist Church, foyer
99 Gentle Creek Ln, Gunter

St. John the Apostle Episcopal Church, main doors
760 W FM 120, Pottsboro

Election Administration, east and west doors
115 W. Houston, Sherman

Faith Church, west entrance, 1800 N. FM 1417, Sherman

Municipal Building, Ballroom, 405 N. Rusk, Sherman

Progressive Baptist Church, Fellowship Hall
1101 E. Houston, Sherman

Tom Bean First National Bank, Edwards Room
109 S. Britton, Tom Bean

Whitesboro City Hall, Council Chambers
111 W. Main, Whitesboro

Collinsville Community Center, main doors
117 N. Main, Collinsville

Parkside Baptist Church, south entrance
301 N. Lillis, Denison

Southside Baptist Church, main hall, 3500 S. Park, Denison

Gordonville Baptist Church, Educational Bldg. east doors
187 Gordonville Rd., Gordonville

Howe Summit Gardens Event Center, main doors
100 E. O'Connell St., Howe

Sadler Baptist Church, Fellowship Hall
419 S. Main, Sadler

United Way of Grayson County, main doors
713 E. Brockett, Sherman

Tioga Fire Department, Meeting Room, 601 Main, Tioga

Luella First Baptist, main door, 3162 Hwy 11, Sherman

Texoma Council of Governments, Eisenhower Room
1117 Gallagher Dr., Sherman

Grayson College South Campus, Room SB113
1455 W. Van Alstyne Pkwy, Van Alstyne

Whitewright Church of Christ, Fellowship Hall
606 S. Carter, Whitewright

Follow us on Facebook!

facebook.com/votegrayson

Grayson County Election Administration
115 W. Houston
Sherman, TX 75090
Phone: 903-893-8683
Fax: 903-891-4370
votegrayson@co.grayson.tx.us

DRAFT

GRAYSON COUNTY EARLY VOTING

NOVEMBER 4, 2025 SPECIAL ELECTION

4 de Noviembre 2025 Eleccion Enmienda Constitucional

EARLY VOTING LOCATIONS

Lugares de votación anticipada

City	Location	Address
Bells	Bells City Hall, Council Chambers	203 S. Broadway
Denison	Grayson County Sub-Courthouse, JP courtroom	101 W. Woodard
Howe	Summit Gardens Event Center, main doors	100 E. O'Connell St.
Pottsboro	St. John the Apostle Episcopal Church, main door	760 W. FM 120
Sherman	Election Administration (Main Voting Location)	115 W. Houston
Van Alstyne	Grayson College South Campus, Room SB113	1455 W. Van Alstyne Pkwy
Whitesboro	Whitesboro City Hall, Council chambers	111 W. Main

EARLY VOTING DATES AND TIMES

Encuestas electorales abren de 7:00am – 7:00pm

OCTOBER 20-24
MONDAY - FRIDAY
8:00 am – 5:00 pm

OCTOBER 25
SATURDAY
7:00 am – 7:00 pm

OCTOBER 26
SUNDAY
11:00 am – 5:00 pm

OCTOBER 27 – OCTOBER 31
MONDAY - FRIDAY
7:00 am – 7:00 pm

FINAL DAY TO REGISTER TO VOTE OR UPDATE ADDRESS:

Último Día Para Registrarse Para Votar o Actualizar La Dirección:

MONDAY, OCTOBER 6, 2025

FINAL DAY TO SUBMIT AN APPLICATION FOR MAIL BALLOT:

Último Día Para Presentar Una Solicitud De Votación Por Correo:

FRIDAY, OCTOBER 24, 2025 (received in person or office mail, not postmarked)

VOTER REGISTRATION, BALLOT BY MAIL AND PHOTO ID INFO

VOTETEXAS.GOV

MILITARY AND OVERSEAS BALLOT BY MAIL

FVAP
FEDERAL VOTING ASSISTANCE PROGRAM

FVAP.GOV

Grayson County Election Administration
www.bit.ly/votegrayson
903-893-8683 (VOTE)

DRAFT

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. F.4.

Meeting Date: 9/2/2025

Prepared By: Loren Siems, Right of Way Specialist

Approved By: Zachary Flores, Acting City Manager

Caption:

**** Resolution No. 7569***

Authorizing The City Manager Or His Designee To Execute A Right Of Way Warranty Deed Conveying Real Property From The Sherman Economic Development Corporation To The City Of Sherman For A Future Road.

Issue:

To consider executing a right of way warranty deed for the conveyance of land for the future road "Tortilla Way"

Background:

Sherman Economic Development Corporation is dedicating land to the City of Sherman for the future road and driveway access for the proposed tortilla chip factory operated by Easy Foods.

Capital Improvement Program:

N/A

Origination:

Sherman Economic Development Corporation

Financial Consideration:

None

Staff Recommendation:

City staff has no objections to the proposed conveyance of right of way; it is recommended that the right of way warranty deed be executed.

Alternatives:

As may be directed by City Council

Attachments:

1. Resolution No. 7569
2. ROW deed signed by SEDCO with exhibit
3. SEDCO Resolution with sealed exhibit
4. Location Map

RESOLUTION NO. 7569

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE OF A RIGHT OF WAY WARRANTY DEED FOR THE ACQUISTION OF REAL PROPERTY FROM SHERMAN ECONOMIC DEVELOPMENT CORPORATION FOR THE CONSTRUCTION OF A FUTURE ROAD IN THE WILLIAM MARTIN SURVEY, ABSTRACT NO. 765, CITY OF SHERMAN, GRAYSON COUNTY, 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 and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a Right of Way Warranty Deed for the acquisition of real property from Sherman Economic Development Corporation in the William Martin Survey, Abstract 765, in the City of Sherman, Grayson County, Texas. being more particularly described in the attached Exhibit "A-1" 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 2nd day of September 2025.

CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
LEAH ROBERTS,
EXEC. DIR. OF ADMINISTRATION /
ACTING 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-1"

G:\TXN\Projects\Meinhardt_and_Associates_Architects_PLLC\11157-00-Molinos_USA_Lawrence_in_Sherman\SV\04_CAD\11157-00_EXH01.dwg 2025-08-08-16:00 mpeace

EXHIBIT "A"

LEGAL DESCRIPTION

DESCRIPTION, of a 1.673-acre (72,864-square-foot) tract of land situated in the William Martin Survey, Abstract No. 765, City of Sherman, Grayson County, Texas; said tract being part of that called 63.6-acre tract of land described in General Warranty Deed to Sherman Economic Development Corporation (hereafter called Sherman EDC) recorded in Instrument No. 2017-24319 of the Official Records of Grayson County, Texas; said 1.673-acre tract being more particularly described by metes and bounds as follows:

COMMENCING, at a 1/2-inch iron rod found at the southwest corner of Progress Drive (an 80-foot public right-of-way recorded in Volume 11, Page 67 of the Plat Records of Grayson County, Texas); said point being in the northeast line of that called 22.399-acre tract of land described in Special Warranty Deed to DJL Properties Texas, LLC recorded in Instrument No. 2025-11816 of said Official Records;

THENCE, North 15 degrees 08 minutes 10 seconds West, with the west terminus of said Progress Drive and the said northeast line of DJL Properties Texas tract, a distance of 3.45 feet to a 1/2-inch iron rod with "VOTEX" cap found; said point being the northeast corner of said DJL Properties Texas tract and the southeast corner of that called 6.4925-acre tract of land described in Right-of-Way Warranty Deed to the City of Sherman, Texas recorded in Instrument No. 2025-5638 of said Official Records;

THENCE, South 74 degrees 21 minutes 04 seconds West, departing the said west terminus of Progress Drive and with the southeast line of said City of Sherman tract and the northwest line of said DJL Properties Texas tract, a distance of 938.41 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the POINT OF BEGINNING; said point being a northwest corner of said DJL Properties Texas tract;

THENCE, departing the said south line of City of Sherman tract and with the southwest line of said DJL Properties Texas tract, the following five (5) calls;

> South 29 degrees 21 minutes 04 seconds West, a distance of 28.28 feet to a 5/8-inch iron rod with "BGE" cap found for corner;
>
> South 15 degrees 38 minutes 56 seconds East, a distance of 268.63 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the beginning of a tangent curve to the right;
>
> With said curve to the right, having a central angle of 25 degrees 14 minutes 24 seconds, a radius of 530.00 feet, a chord bearing and distance of South 03 degrees 01 minutes 44 seconds East, 231.59 feet, and an arc length of 233.48 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the end of said curve;
>
> South 09 degrees 35 minutes 28 seconds West, a distance of 68.27 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the beginning of a tangent curve to the left;
>
> With said curve to the left, having a central angle of 49 degrees 15 minutes 47 seconds, a radius of 470.00 feet, a chord bearing and distance of South 15 degrees 02 minutes 25 seconds East, 391.77 feet, departing the said southwest line at an arc length of 44.77 feet, rejoining the said southwest line at an arc length of 155.54 feet, and continuing a total arc length of 404.11 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the end of said curve; said point being the southwest corner of said DJL Properties Texas tract and the beginning of a compound curve to the left;

THENCE, into and across said Sherman EDC tract, the following eight (8) calls:

BGE, Inc.
2595 Dallas Parkway, Suite 101, Frisco, TX 75034
Tel: 972-464-4800 • www.bgeinc.com
TBPELS Firm No. 10106500
Copyright 2025

RIGHT-OF-WAY DEDICATION
1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 1 OF 4

G:\TXN\Projects\Meinhardt_and_Associates_Architects_PLLC\11157-00-Molinos_USA_Lawrence_in_Sherman\SV\04_CAD\11157-00_EXH01.dwg 2025-08-08-16:00 mpeace

EXHIBIT "A"

LEGAL DESCRIPTION (continued)

With said curve to the left, having a central angle of 57 degrees 07 minutes 18 seconds, a radius of 8.00 feet, a chord bearing and distance of South 68 degrees 13 minutes 58 seconds East, 7.65 feet, and an arc length of 7.98 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the right;

With said curve to the right, having a central angle of 294 degrees 14 minutes 36 seconds, a radius of 62.00 feet, a chord bearing and distance of South 50 degrees 19 minutes 41 seconds West, 67.31 feet, and an arc length of 318.40 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the left;

With said curve to the left, having a central angle of 57 degrees 07 minutes 18 seconds, a radius of 8.00 feet, a chord bearing and distance of North 11 degrees 06 minutes 40 seconds West, 7.65 feet, and an arc length of 7.98 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the right;

With said curve to the right, having a central angle of 49 degrees 15 minutes 47 seconds, a radius of 530.00 feet, a chord bearing and distance of North 15 degrees 02 minutes 25 seconds West, 441.79 feet, and an arc length of 455.70 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve;

North 09 degrees 35 minutes 28 seconds East, a distance of 68.27 feet to a 5/8-inch iron rod with "BGE" cap set at the beginning of a tangent curve to the left;

With said curve to the left, having a central angle of 25 degrees 14 minutes 24 seconds, a radius of 470.00 feet, a chord bearing and distance of North 03 degrees 01 minutes 44 seconds West, 205.38 feet, and an arc length of 207.05 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve;

North 15 degrees 38 minutes 56 seconds West, a distance of 268.63 feet to a 5/8-inch iron rod with "BGE" cap set;

North 60 degrees 38 minutes 56 seconds West, a distance of 28.28 feet to a 5/8-inch iron rod with "BGE" cap set in the said southeast line of City of Sherman tract;

THENCE, North 74 degrees 21 minutes 04 seconds East, a distance of 100.00 feet to the POINT OF BEGINNING and containing 1.673 acres or 72,864 square feet of land, more or less.

A survey plat of even survey date accompanies this legal description.

Bearing system for this survey is based on the Texas Coordinate System of 1983, North Central Zone, NA2011 (Epoch 2010.00), with an applied combined scale factor of 1.00012. Distances and areas shown are surface values in U.S. Survey Feet.

This survey was performed without the benefit of a title report. There may be easements and/or covenants affecting the subject property that are not shown hereon.

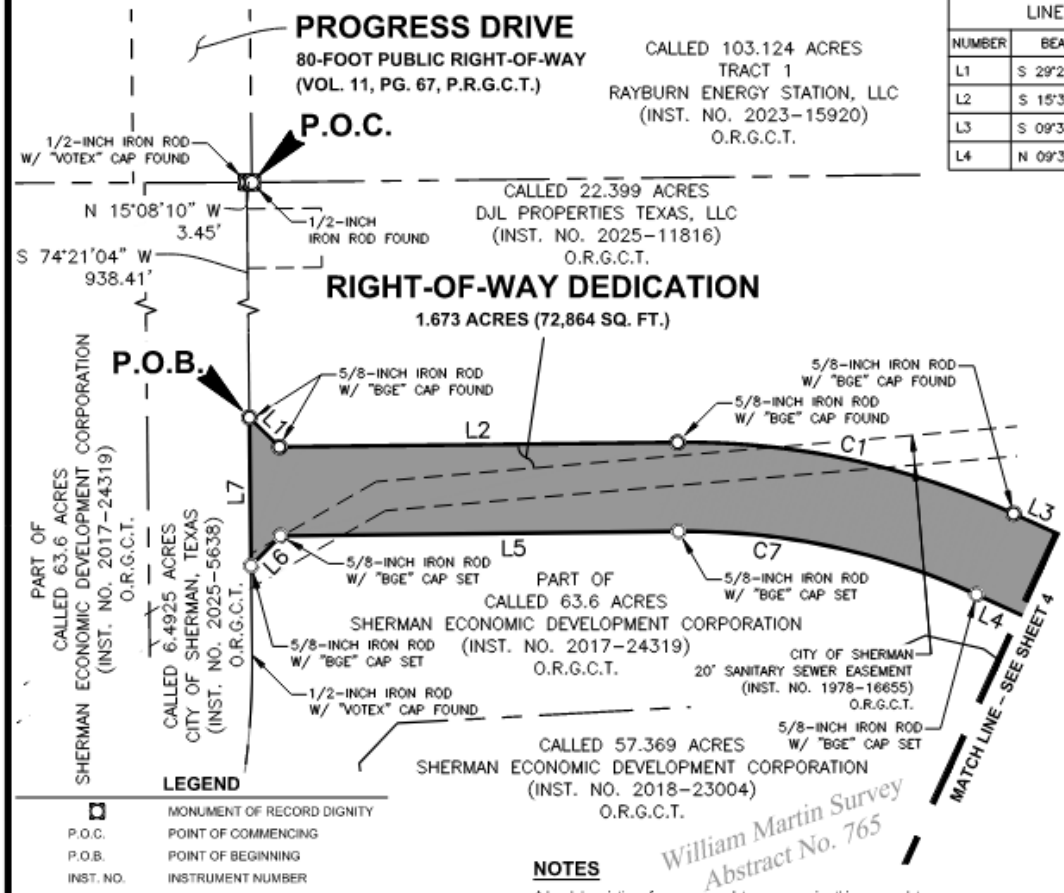
Gregory Mark Peace August 8, 2025
RPLS No. 6608

STATE OF TEXAS REGISTERED GREGORY MARK PEACE 6608 PROFESSIONAL LAND SURVEYOR

BGE, Inc.
2595 Dallas Parkway, Suite 101, Frisco, TX 75034
Tel: 972-464-4800 • www.bgeinc.com
TBPELS Firm No. 10106500

Copyright 2025

RIGHT-OF-WAY DEDICATION
1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 2 OF 4



LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	S 29°21'04" W	28.28'
L2	S 15°38'56" E	268.63'
L3	S 09°35'28" W	68.27'
L4	N 09°35'28" E	68.27'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L5	N 15°38'56" W	268.63'
L6	N 60°38'56" W	28.28'
L7	N 74°21'04" E	100.00'

LEGEND

◻	MONUMENT OF RECORD DIGNITY
P.O.C.	POINT OF COMMENCING
P.O.B.	POINT OF BEGINNING
INST. NO.	INSTRUMENT NUMBER
———	BOUNDARY LINE
— — —	PROPERTY LINE
O.R.G.C.T.	OFFICIAL RECORDS OF GRAYSON COUNTY, TEXAS

NOTES

A legal description of even survey date accompanies this survey plat.

Bearing system for this survey is based on the Texas Coordinate System of 1983, North Central Zone, NA2011 (Epoch 2010.00) with an applied combined scale factor of 1.00012. Distances and areas shown are surface values in U.S. Survey Feet.

This survey was performed without the benefit of a title report. There may be easements and/or covenants affecting the subject property that are not shown hereon.

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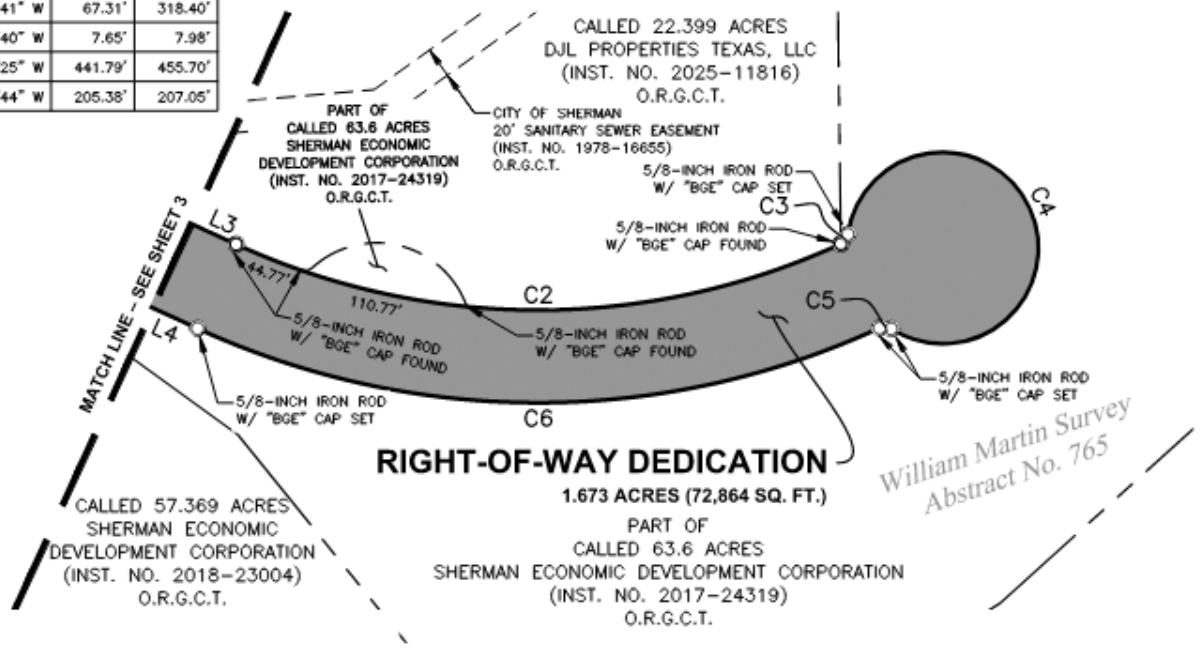
RIGHT-OF-WAY DEDICATION

1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 3 OF 4

EXHIBIT "A"

CURVE TABLE					
NUMBER	DELTA	RADIUS	CHORD BEARING	CHORD DISTANCE	ARC LENGTH
C1	25°14'24"	530.00'	S 03°01'44" E	231.59'	233.48'
C2	49°15'47"	470.00'	S 15°02'25" E	391.77'	404.11'
C3	57°07'18"	8.00'	S 68°13'58" E	7.65'	7.98'
C4	294°14'36"	62.00'	S 50°19'41" W	67.31'	318.40'
C5	57°07'18"	8.00'	N 11°06'40" W	7.65'	7.98'
C6	49°15'47"	530.00'	N 15°02'25" W	441.79'	455.70'
C7	25°14'24"	470.00'	N 03°01'44" W	205.38'	207.05'



LEGEND

◻	MONUMENT OF RECORD DIGNITY
P.O.C.	POINT OF COMMENCING
P.O.B.	POINT OF BEGINNING
INST. NO.	INSTRUMENT NUMBER
———	BOUNDARY LINE
— — —	PROPERTY LINE
O.R.G.C.T.	OFFICIAL RECORDS OF GRAYSON COUNTY, TEXAS

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This survey was performed without the benefit of a title report. There may be easements and/or covenants affecting the subject property that are not shown hereon.

0 50 100
SCALE: 1" = 100'

RIGHT-OF-WAY DEDICATION

1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 4 OF 4

G:\TXN\Projects\Meinhardt_and_Associates_Architects_PLLC\11157-00-Molinos_USA_Lawrence_in_Sherman\SV\04_CAD\11157-00_EXH01.dwg 2025-08-08-16:00 mpeace

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

RIGHT-OF-WAY WARRANTY DEED

STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF GRAYSON §

That **SHERMAN ECONOMIC DEVELOPMENT CORPORATION** ("Grantor"), whose address is 3047 W. Washington St. Ste 102, Sherman, TX. 75090, for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration in hand paid by the **CITY OF SHERMAN, TEXAS** ("Grantee"), whose mailing address is P.O. Box 1106, Sherman, Texas 75091, the receipt and sufficiency of which consideration is hereby acknowledged, has DEDICATED, GRANTED, SOLD AND CONVEYED in fee simple, and by these presents does DEDICATE, GRANT, SELL AND CONVEY in fee simple unto Grantee as right of way for public street, utility, access, sidewalk and other public purposes, including the right of ingress and egress, and regress therein, and any other public purpose authorized by Texas Local Government Code § 273.001 and deemed necessary by Grantee into and through all that certain real property ("Property") located in the County of Grayson, State of Texas, being 1.673 acres, more or less, and being more particularly described in Exhibit "A" attached hereto and for all purposes.

Grantor specifically reserves from this dedication all its rights, title and interest in all oil, gas and other minerals in and under the Property, provided, however, that Grantor shall not be permitted to, and shall not allow any party to, drill or excavate for oil, gas and other minerals on or from the surface of the Property, but Grantor may extract oil, gas or other minerals from and under the Property by directional drilling or other means that do not interfere with or disturb Grantee's use of the Property.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in any way belonging, as right of way for said public street, utility, access, sidewalk and other public purposes unto Grantee, its successors and assigns, forever. Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular, the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Each individual executing this instrument on behalf of Grantor represents that all appropriate and necessary actions have been taken to authorize the individual who is executing this instrument to do so for and on behalf of Grantor, that there are no other parties or entities required to execute this instrument in order for the same to be an authorized and binding agreement on Grantor and that the individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

It is understood and agreed that the consideration received by Grantor hereunder includes adequate compensation for the grant of the rights hereunder and for all damages arising out of the construction, reconstruction, repair, operation and maintenance of any street, utility, access, sidewalk or other public facilities.

This instrument shall be binding on, and inure to the benefit of, Grantee and Grantor and their respective successors or assigns.

This instrument may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

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

SIGNED and effective this 10 day of July, 2025.

GRANTOR:

SHERMAN ECONOMIC DEVELOPMENT CORPORATION

By: _____

Printed Name: Kent Sharp

Its: Pres. / CEO

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF GRAYSON §

BEFORE ME, the undersigned authority, on this day personally appeared Kent Sharp, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me that he is the President / CEO and duly authorized representative SHERMAN ECONOMIC DEVELOPMENT CORPORATION and that he executed the same for the purposes and consideration therein stated and in the capacity therein stated as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 10 day of July, 2025.

MICHELLE ADAMS
Notary Public, State of Texas
Comm. Expires 04-15-2029
Notary ID 135505845

Michelle Adams
NOTARY PUBLIC, STATE OF TEXAS

Notary's commission expires: 4/15/29

GRANTEE:
CITY OF SHERMAN, TEXAS

BY: _____
SHAWN TEAMANN, MAYOR

ATTEST:

BY: _____
ACTING, CITY CLERK

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

BY: _____
NAME: _____
CITY ATTORNEY

AFTER RECORDING, RETURN TO
City of Sherman
Office of the City Attorney
P. O. Box 1106
Sherman, TX 75091-1106

EXHIBIT "A"

LEGAL DESCRIPTION

DESCRIPTION, of a 1.673-acre (72,864-square-foot) tract of land situated in the William Martin Survey, Abstract No. 765, City of Sherman, Grayson County, Texas; said tract being part of that called 63.6-acre tract of land described in General Warranty Deed to Sherman Economic Development Corporation (hereafter called Sherman EDC) recorded in Instrument No. 2017-24319 of the Official Records of Grayson County, Texas; said 1.673-acre tract being more particularly described by metes and bounds as follows:

COMMENCING, at a 1/2-inch iron rod found at the southwest corner of Progress Drive (an 80-foot public right-of-way recorded in Volume 11, Page 67 of the Plat Records of Grayson County, Texas); said point being in the northeast line of that called 22.399-acre tract of land described in Special Warranty Deed to DJL Properties Texas, LLC recorded in Instrument No. 2025-11816 of said Official Records;

THENCE, North 15 degrees 08 minutes 10 seconds West, with the west terminus of said Progress Drive and the said northeast line of DJL Properties Texas tract, a distance of 3.45 feet to a 1/2-inch iron rod with "VOTEX" cap found; said point being the northeast corner of said DJL Properties Texas tract and the southeast corner of that called 6.4925-acre tract of land described in Right-of-Way Warranty Deed to the City of Sherman, Texas recorded in Instrument No. 2025-5638 of said Official Records;

THENCE, South 74 degrees 21 minutes 04 seconds West, departing the said west terminus of Progress Drive and with the southeast line of said City of Sherman tract and the northwest line of said DJL Properties Texas tract, a distance of 938.41 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the POINT OF BEGINNING; said point being a northwest corner of said DJL Properties Texas tract;

THENCE, departing the said south line of City of Sherman tract and with the southwest line of said DJL Properties Texas tract, the following five (5) calls;

> South 29 degrees 21 minutes 04 seconds West, a distance of 28.28 feet to a 5/8-inch iron rod with "BGE" cap found for corner;
>
> South 15 degrees 38 minutes 56 seconds East, a distance of 268.63 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the beginning of a tangent curve to the right;
>
> With said curve to the right, having a central angle of 25 degrees 14 minutes 24 seconds, a radius of 530.00 feet, a chord bearing and distance of South 03 degrees 01 minutes 44 seconds East, 231.59 feet, and an arc length of 233.48 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the end of said curve;
>
> South 09 degrees 35 minutes 28 seconds West, a distance of 68.27 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the beginning of a tangent curve to the left;
>
> With said curve to the left, having a central angle of 49 degrees 15 minutes 47 seconds, a radius of 470.00 feet, a chord bearing and distance of South 15 degrees 02 minutes 25 seconds East, 391.77 feet, departing the said southwest line at an arc length of 44.77 feet, rejoining the said southwest line at an arc length of 155.54 feet, and continuing a total arc length of 404.11 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the end of said curve; said point being the southwest corner of said DJL Properties Texas tract and the beginning of a compound curve to the left;

THENCE, into and across said Sherman EDC tract, the following eight (8) calls:

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EXHIBIT "A"

LEGAL DESCRIPTION (continued)

With said curve to the left, having a central angle of 57 degrees 07 minutes 18 seconds, a radius of 8.00 feet, a chord bearing and distance of South 68 degrees 13 minutes 58 seconds East, 7.65 feet, and an arc length of 7.98 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the right;

With said curve to the right, having a central angle of 294 degrees 14 minutes 36 seconds, a radius of 62.00 feet, a chord bearing and distance of South 50 degrees 19 minutes 41 seconds West, 67.31 feet, and an arc length of 318.40 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the left;

With said curve to the left, having a central angle of 57 degrees 07 minutes 18 seconds, a radius of 8.00 feet, a chord bearing and distance of North 11 degrees 06 minutes 40 seconds West, 7.65 feet, and an arc length of 7.98 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the right;

With said curve to the right, having a central angle of 49 degrees 15 minutes 47 seconds, a radius of 530.00 feet, a chord bearing and distance of North 15 degrees 02 minutes 25 seconds West, 441.79 feet, and an arc length of 455.70 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve;

North 09 degrees 35 minutes 28 seconds East, a distance of 68.27 feet to a 5/8-inch iron rod with "BGE" cap set at the beginning of a tangent curve to the left;

With said curve to the left, having a central angle of 25 degrees 14 minutes 24 seconds, a radius of 470.00 feet, a chord bearing and distance of North 03 degrees 01 minutes 44 seconds West, 205.38 feet, and an arc length of 207.05 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve;

North 15 degrees 38 minutes 56 seconds West, a distance of 268.63 feet to a 5/8-inch iron rod with "BGE" cap set;

North 60 degrees 38 minutes 56 seconds West, a distance of 28.28 feet to a 5/8-inch iron rod with "BGE" cap set in the said southeast line of City of Sherman tract;

THENCE, North 74 degrees 21 minutes 04 seconds East, a distance of 100.00 feet to the POINT OF BEGINNING and containing 1.673 acres or 72,864 square feet of land, more or less.

A survey plat of even survey date accompanies this legal description.

Bearing system for this survey is based on the Texas Coordinate System of 1983, North Central Zone, NA2011 (Epoch 2010.00), with an applied combined scale factor of 1.00012. Distances and areas shown are surface values in U.S. Survey Feet.

This survey was performed without the benefit of a title report. There may be easements and/or covenants affecting the subject property that are not shown hereon.

Gregory Mark Peace August 8, 2025
RPLS No. 6608

STATE OF TEXAS
REGISTERED
GREGORY MARK PEACE
6608
PROFESSIONAL
LAND SURVEYOR

RIGHT-OF-WAY DEDICATION
1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 2 OF 4

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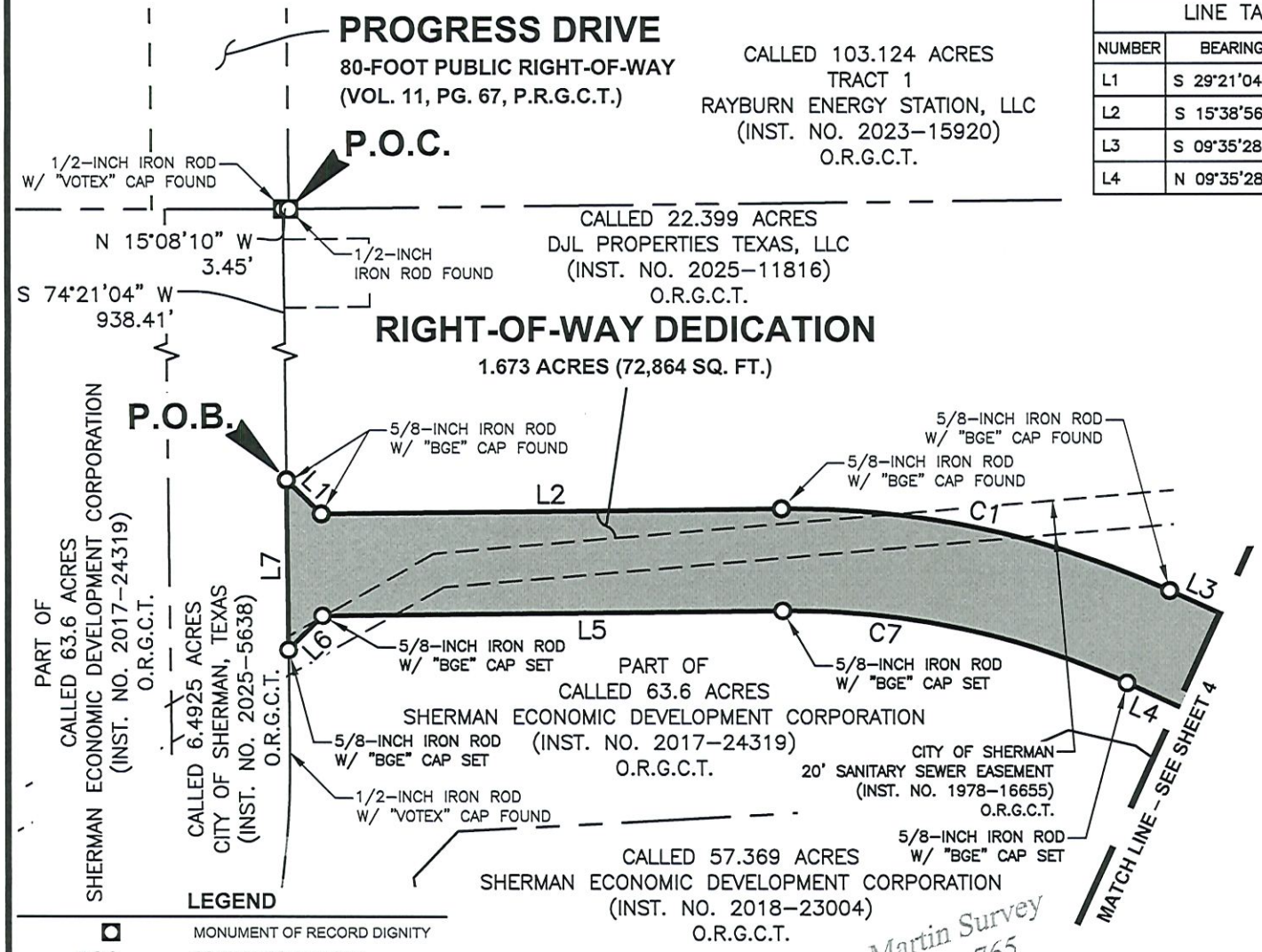

LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	S 29°21'04" W	28.28'
L2	S 15°38'56" E	268.63'
L3	S 09°35'28" W	68.27'
L4	N 09°35'28" E	68.27'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L5	N 15°38'56" W	268.63'
L6	N 60°38'56" W	28.28'
L7	N 74°21'04" E	100.00'

LEGEND

◘	MONUMENT OF RECORD DIGNITY
P.O.C.	POINT OF COMMENCING
P.O.B.	POINT OF BEGINNING
INST. NO.	INSTRUMENT NUMBER
———	BOUNDARY LINE
— — —	PROPERTY LINE
O.R.G.C.T.	OFFICIAL RECORDS OF GRAYSON COUNTY, TEXAS

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NOTES

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0 50 100
SCALE: 1" = 100'

RIGHT-OF-WAY DEDICATION

1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 3 OF 4

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EXHIBIT "A"

CURVE TABLE					
NUMBER	DELTA	RADIUS	CHORD BEARING	CHORD DISTANCE	ARC LENGTH
C1	25°14'24"	530.00'	S 03°01'44" E	231.59'	233.48'
C2	49°15'47"	470.00'	S 15°02'25" E	391.77'	404.11'
C3	57°07'18"	8.00'	S 68°13'58" E	7.65'	7.98'
C4	294°14'36"	62.00'	S 50°19'41" W	67.31'	318.40'
C5	57°07'18"	8.00'	N 11°06'40" W	7.65'	7.98'
C6	49°15'47"	530.00'	N 15°02'25" W	441.79'	455.70'
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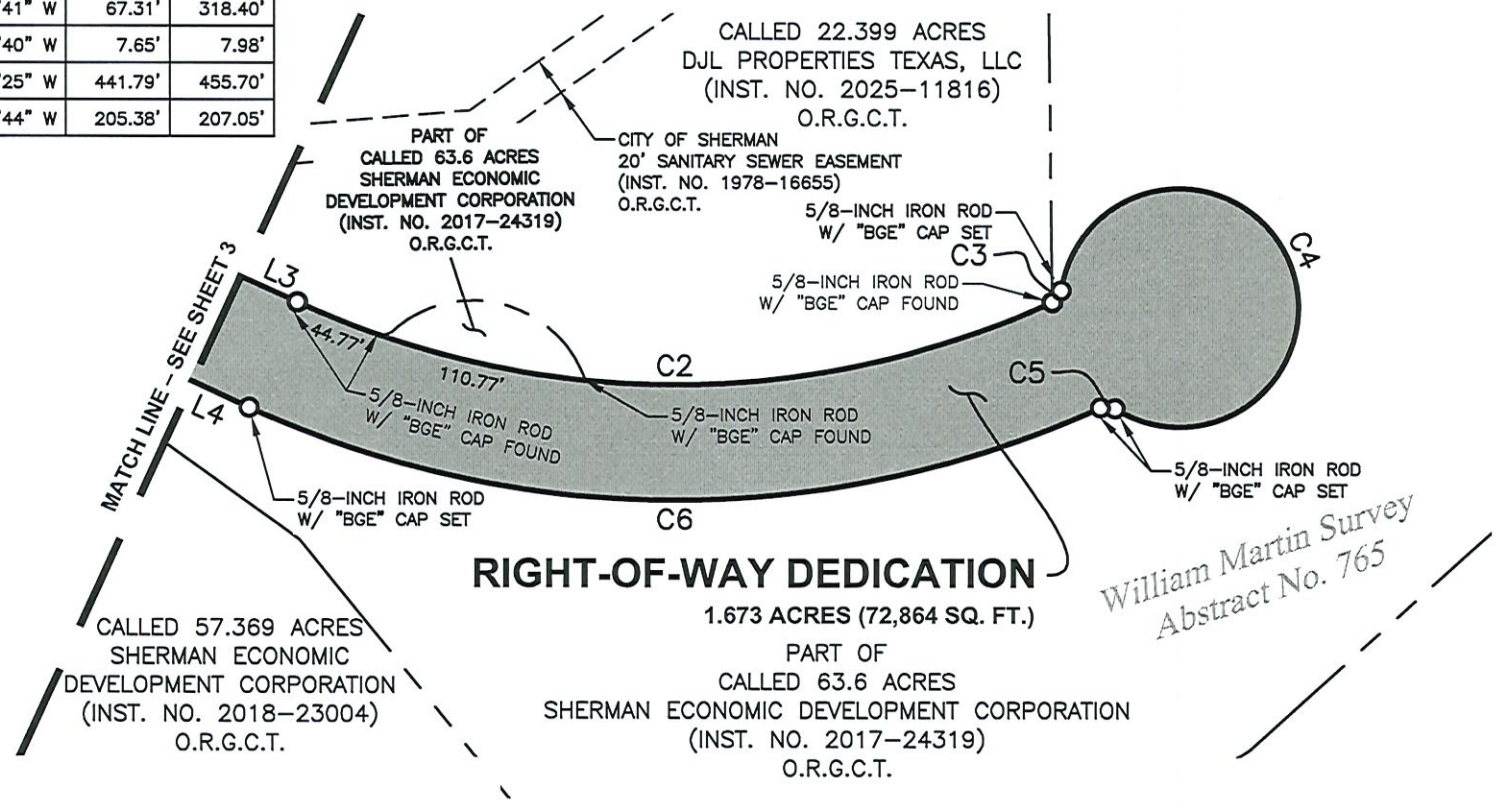

LEGEND

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RIGHT-OF-WAY DEDICATION

1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 4 OF 4

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RESOLUTION NO. SEDCO-2025.12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION, A TYPE A ECONOMIC DEVELOPMENT CORPORATION AND A TEXAS NON-PROFIT CORPORATION, AUTHORIZING AND APPROVING THE EXECUTION OF A RIGHT-OF-WAY WARRANTY DEED WITH THE CITY OF SHERMAN, TEXAS, CONCERNING PROPERTY SITUATED IN THE WILLIAM MARTIN SURVEY, ABSTRACT NO. 765, CITY OF SHERMAN, GRAYSON COUNTY, TEXAS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Board of Directors of the Sherman Economic Development Corporation, a Type A economic development corporation, and a Texas non-profit corporation (hereinafter referred to as the "SEDCO") authorizes and approves the execution of a Right-of-Way Warranty Deed with the City of Sherman, Texas, a copy of which are attached hereto as ***Exhibit A*** of this Resolution, and are incorporated herein for all purposes.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION, THAT:

Section 1. FINDINGS INCORPORATED

That the foregoing recitals are hereby found to be true and correct findings of the SEDCO and are fully incorporated into the body of this Resolution.

Section 2. AUTHORIZING AND APPROVING RIGHT-OF-WAY WARRANTY DEED

That the Board of Directors of the SEDCO do hereby authorize and approve the execution of the Right-of-Way Warranty Deed with the City of Sherman, Texas, a copy of which are attached hereto as ***Exhibit A*** of this Resolution, and are incorporated herein for all purposes.

Section 3. SEVERABILITY CLAUSE

It is hereby declared to be the intention of the SEDCO that the phrases, clauses, sentences, paragraphs and sections of this Resolution are severable, and if any phrase, clause, sentence, paragraph or section of this Resolution shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution, since the same would have been enacted by the SEDCO without the incorporation of this Resolution of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section 4. **EFFECTIVE DATE**

This Resolution shall become effective immediately upon its passage.

DULY RESOLVED by the Board of Directors of the Sherman Economic Development Corporation, on this the 10th day of June, 2025.

ATTEST:

~~Gail Utter, Chair~~
Scott Bardemir, Vice Chair

Jason Brumm, Secretary

APPROVED:

Jeffrey L. Moore, Attorney at Law

Exhibit A

[Right-of-Way Warranty Deed]

EXHIBIT "A"

LEGAL DESCRIPTION

DESCRIPTION, of a 1.673-acre (72,864-square-foot) tract of land situated in the William Martin Survey, Abstract No. 765, City of Sherman, Grayson County, Texas; said tract being part of that called 63.6-acre tract of land described in General Warranty Deed to Sherman Economic Development Corporation (hereafter called Sherman EDC) recorded in Instrument No. 2017-24319 of the Official Records of Grayson County, Texas; said 1.673-acre tract being more particularly described by metes and bounds as follows:

COMMENCING, at a 1/2-inch iron rod found at the southwest corner of Progress Drive (an 80-foot public right-of-way recorded in Volume 11, Page 67 of the Plat Records of Grayson County, Texas); said point being in the northeast line of that called 22.399-acre tract of land described in Special Warranty Deed to DJL Properties Texas, LLC recorded in Instrument No. 2025-11816 of said Official Records;

THENCE, North 15 degrees 08 minutes 10 seconds West, with the west terminus of said Progress Drive and the said northeast line of DJL Properties Texas tract, a distance of 3.45 feet to a 1/2-inch iron rod with "VOTEX" cap found; said point being the northeast corner of said DJL Properties Texas tract and the southeast corner of that called 6.4925-acre tract of land described in Right-of-Way Warranty Deed to the City of Sherman, Texas recorded in Instrument No. 2025-5638 of said Official Records;

THENCE, South 74 degrees 21 minutes 04 seconds West, departing the said west terminus of Progress Drive and with the southeast line of said City of Sherman tract and the northwest line of said DJL Properties Texas tract, a distance of 938.41 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the POINT OF BEGINNING; said point being a northwest corner of said DJL Properties Texas tract;

THENCE, departing the said south line of City of Sherman tract and with the southwest line of said DJL Properties Texas tract, the following five (5) calls;

> South 29 degrees 21 minutes 04 seconds West, a distance of 28.28 feet to a 5/8-inch iron rod with "BGE" cap found for corner;
>
> South 15 degrees 38 minutes 56 seconds East, a distance of 268.63 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the beginning of a tangent curve to the right;
>
> With said curve to the right, having a central angle of 25 degrees 14 minutes 24 seconds, a radius of 530.00 feet, a chord bearing and distance of South 03 degrees 01 minutes 44 seconds East, 231.59 feet, and an arc length of 233.48 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the end of said curve;
>
> South 09 degrees 35 minutes 28 seconds West, a distance of 68.27 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the beginning of a tangent curve to the left;
>
> With said curve to the left, having a central angle of 49 degrees 15 minutes 47 seconds, a radius of 470.00 feet, a chord bearing and distance of South 15 degrees 02 minutes 25 seconds East, 391.77 feet, departing the said southwest line at an arc length of 44.77 feet, rejoining the said southwest line at an arc length of 155.54 feet, and continuing a total arc length of 404.11 feet to a 5/8-inch iron rod with "BGE" cap found for corner at the end of said curve; said point being the southwest corner of said DJL Properties Texas tract and the beginning of a compound curve to the left;

THENCE, into and across said Sherman EDC tract, the following eight (8) calls:

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LEGAL DESCRIPTION (continued)

With said curve to the left, having a central angle of 57 degrees 07 minutes 18 seconds, a radius of 8.00 feet, a chord bearing and distance of South 68 degrees 13 minutes 58 seconds East, 7.65 feet, and an arc length of 7.98 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the right;

With said curve to the right, having a central angle of 294 degrees 14 minutes 36 seconds, a radius of 62.00 feet, a chord bearing and distance of South 50 degrees 19 minutes 41 seconds West, 67.31 feet, and an arc length of 318.40 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the left;

With said curve to the left, having a central angle of 57 degrees 07 minutes 18 seconds, a radius of 8.00 feet, a chord bearing and distance of North 11 degrees 06 minutes 40 seconds West, 7.65 feet, and an arc length of 7.98 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve and the beginning of a reverse curve to the right;

With said curve to the right, having a central angle of 49 degrees 15 minutes 47 seconds, a radius of 530.00 feet, a chord bearing and distance of North 15 degrees 02 minutes 25 seconds West, 441.79 feet, and an arc length of 455.70 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve;

North 09 degrees 35 minutes 28 seconds East, a distance of 68.27 feet to a 5/8-inch iron rod with "BGE" cap set at the beginning of a tangent curve to the left;

With said curve to the left, having a central angle of 25 degrees 14 minutes 24 seconds, a radius of 470.00 feet, a chord bearing and distance of North 03 degrees 01 minutes 44 seconds West, 205.38 feet, and an arc length of 207.05 feet to a 5/8-inch iron rod with "BGE" cap set at the end of said curve;

North 15 degrees 38 minutes 56 seconds West, a distance of 268.63 feet to a 5/8-inch iron rod with "BGE" cap set;

North 60 degrees 38 minutes 56 seconds West, a distance of 28.28 feet to a 5/8-inch iron rod with "BGE" cap set in the said southeast line of City of Sherman tract;

THENCE, North 74 degrees 21 minutes 04 seconds East, a distance of 100.00 feet to the POINT OF BEGINNING and containing 1.673 acres or 72,864 square feet of land, more or less.

A survey plat of even survey date accompanies this legal description.

Bearing system for this survey is based on the Texas Coordinate System of 1983, North Central Zone, NA2011 (Epoch 2010.00), with an applied combined scale factor of 1.00012. Distances and areas shown are surface values in U.S. Survey Feet.

This survey was performed without the benefit of a title report. There may be easements and/or covenants affecting the subject property that are not shown hereon.

Gregory Mark Peace August 8, 2025
RPLS No. 6608

STATE OF TEXAS
REGISTERED
GREGORY MARK PEACE
6608
PROFESSIONAL
LAND SURVEYOR

RIGHT-OF-WAY DEDICATION

1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 2 OF 4

BGE, Inc.
2595 Dallas Parkway, Suite 101, Frisco, TX 75034
Tel: 972-464-4800 • www.bgeinc.com
TBPELS Firm No. 10106500

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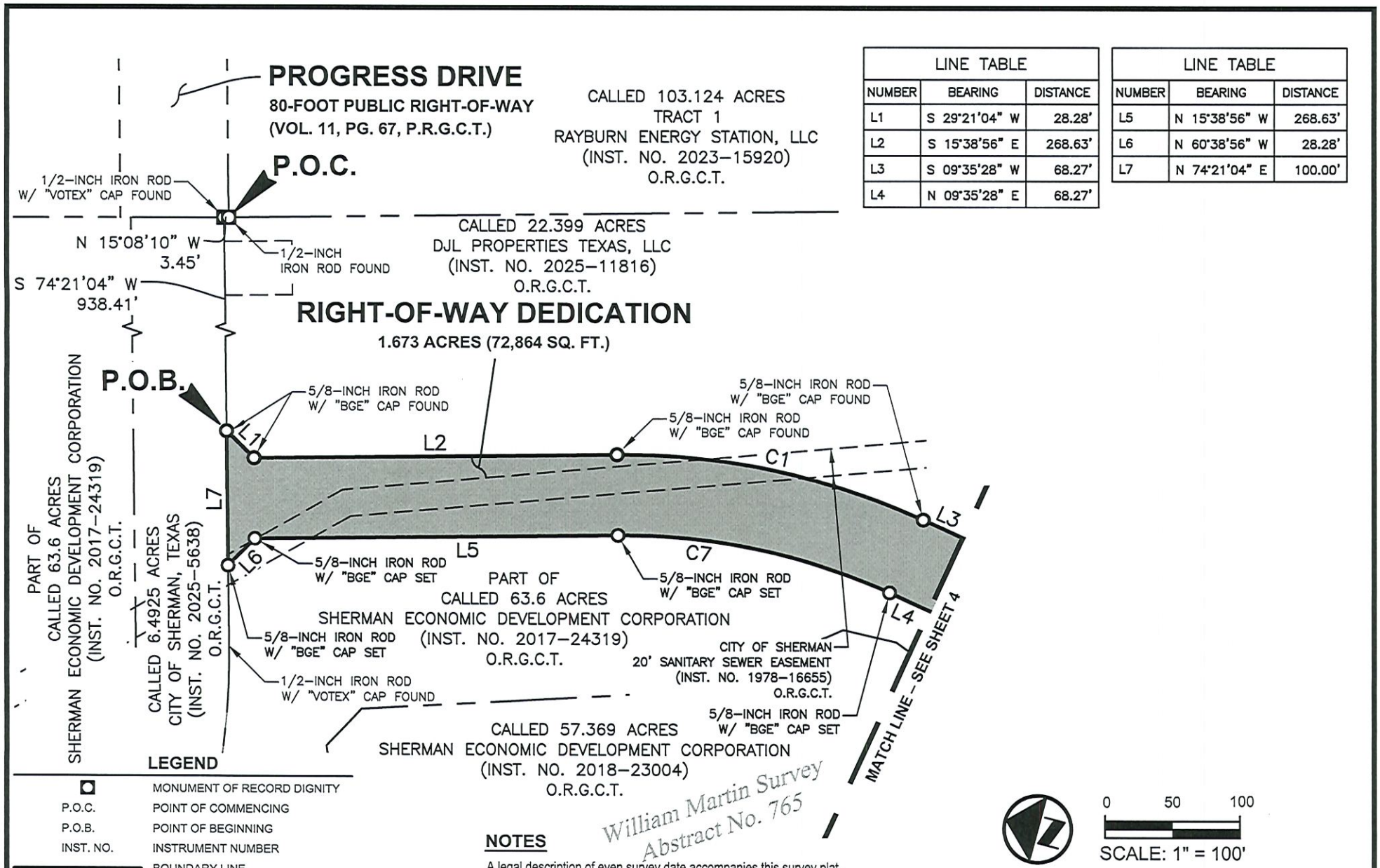

LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	S 29°21'04" W	28.28'
L2	S 15°38'56" E	268.63'
L3	S 09°35'28" W	68.27'
L4	N 09°35'28" E	68.27'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L5	N 15°38'56" W	268.63'
L6	N 60°38'56" W	28.28'
L7	N 74°21'04" E	100.00'

LEGEND

◘	MONUMENT OF RECORD DIGNITY
P.O.C.	POINT OF COMMENCING
P.O.B.	POINT OF BEGINNING
INST. NO.	INSTRUMENT NUMBER
———	BOUNDARY LINE
— — —	PROPERTY LINE
O.R.G.C.T.	OFFICIAL RECORDS OF GRAYSON COUNTY, TEXAS

NOTES

A legal description of even survey date accompanies this survey plat.

Bearing system for this survey is based on the Texas Coordinate System of 1983, North Central Zone, NA2011 (Epoch 2010.00) with an applied combined scale factor of 1.00012. Distances and areas shown are surface values in U.S. Survey Feet.

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RIGHT-OF-WAY DEDICATION

1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 3 OF 4

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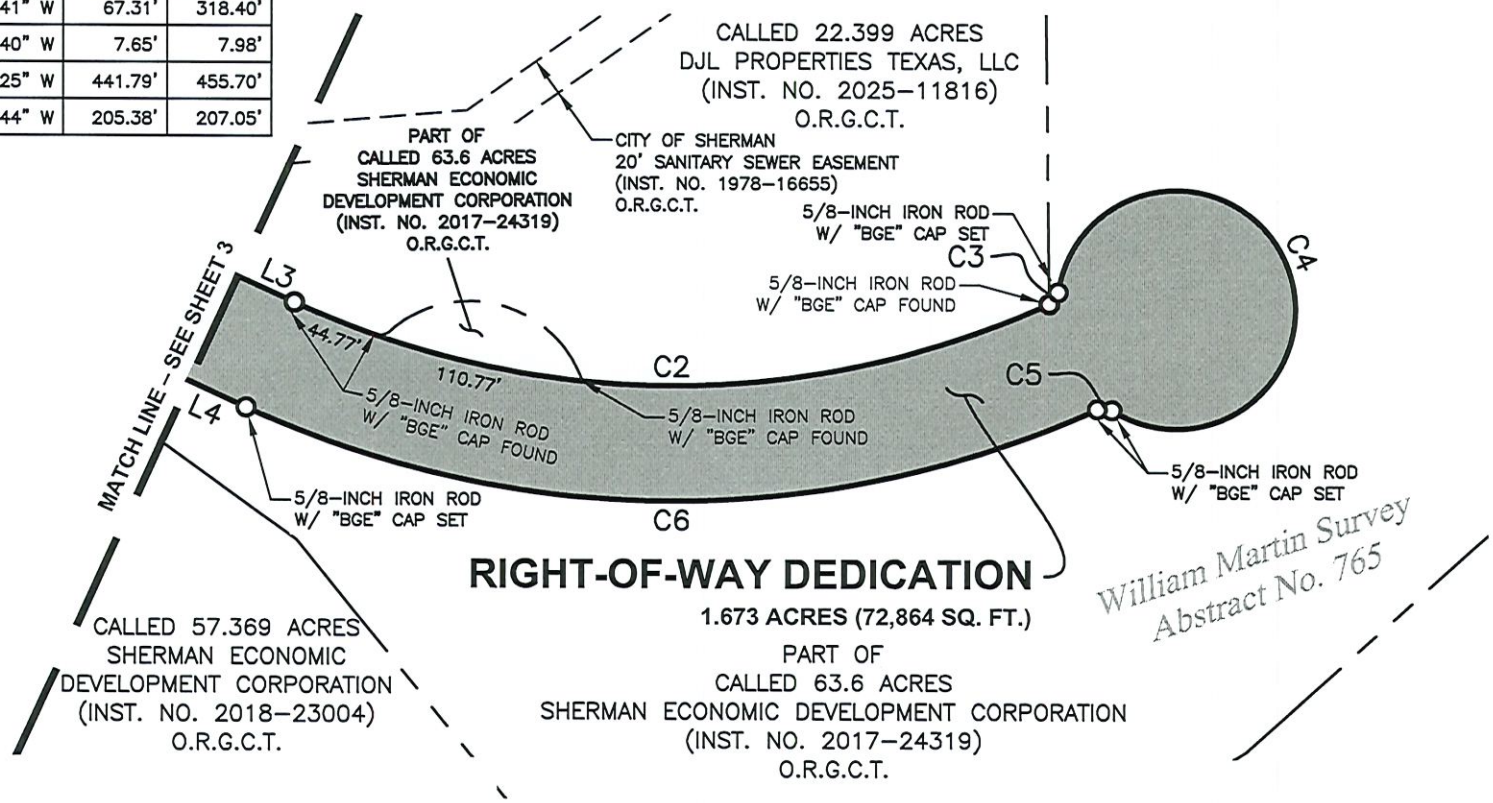
EXHIBIT "A"

CURVE TABLE					
NUMBER	DELTA	RADIUS	CHORD BEARING	CHORD DISTANCE	ARC LENGTH
C1	25°14'24"	530.00'	S 03°01'44" E	231.59'	233.48'
C2	49°15'47"	470.00'	S 15°02'25" E	391.77'	404.11'
C3	57°07'18"	8.00'	S 68°13'58" E	7.65'	7.98'
C4	294°14'36"	62.00'	S 50°19'41" W	67.31'	318.40'
C5	57°07'18"	8.00'	N 11°06'40" W	7.65'	7.98'
C6	49°15'47"	530.00'	N 15°02'25" W	441.79'	455.70'
C7	25°14'24"	470.00'	N 03°01'44" W	205.38'	207.05'



LEGEND

◘	MONUMENT OF RECORD DIGNITY
P.O.C.	POINT OF COMMENCING
P.O.B.	POINT OF BEGINNING
INST. NO.	INSTRUMENT NUMBER
———	BOUNDARY LINE
— — —	PROPERTY LINE
O.R.G.C.T.	OFFICIAL RECORDS OF GRAYSON COUNTY, TEXAS

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NOTES

A legal description of even survey date accompanies this survey plat.

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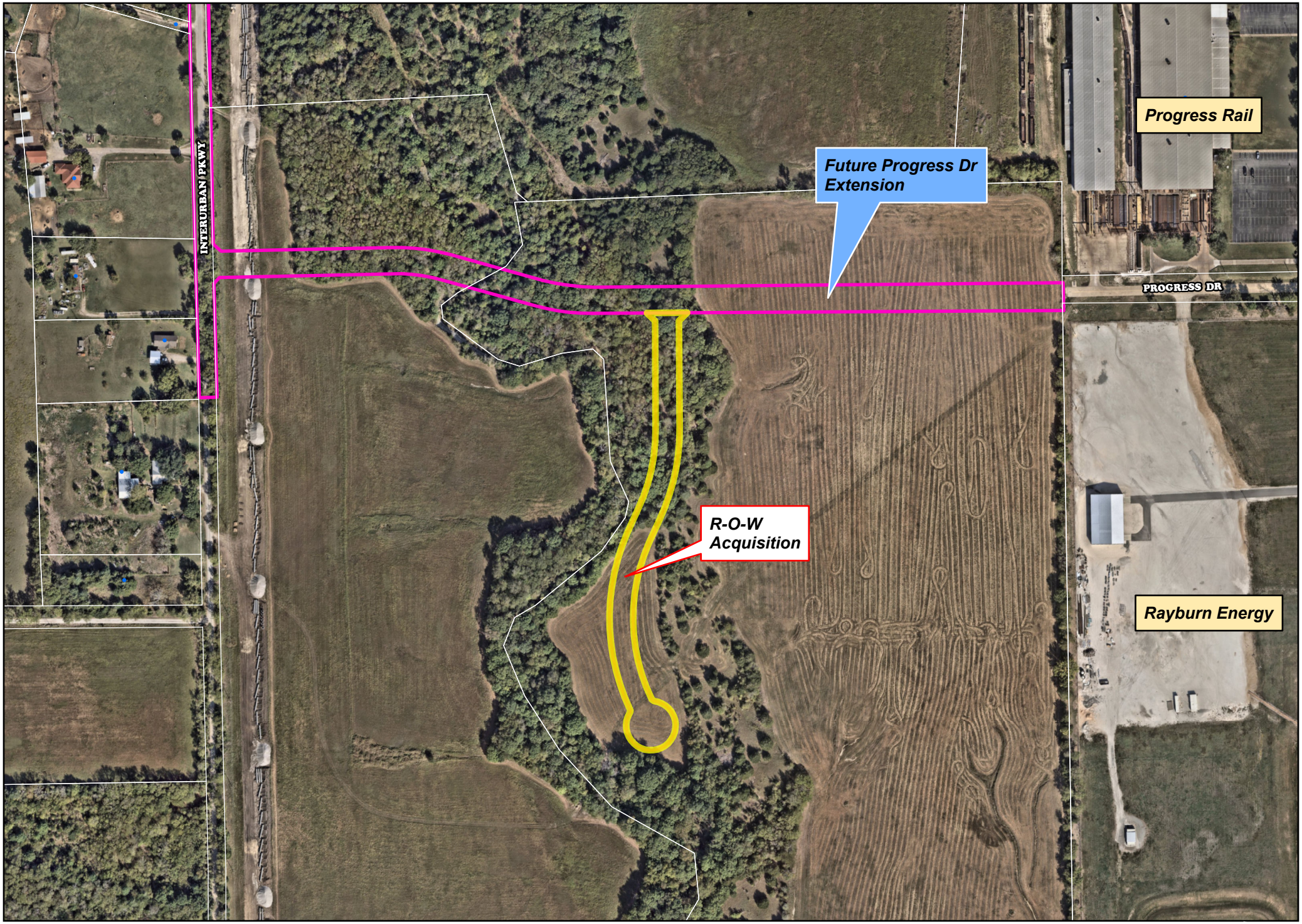
This survey was performed without the benefit of a title report. There may be easements and/or covenants affecting the subject property that are not shown hereon.

0 50 100
SCALE: 1" = 100'

RIGHT-OF-WAY DEDICATION

1.673 ACRES
WILLIAM MARTIN SURVEY, ABSTRACT NO. 765
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
AUGUST 2025
SHEET 4 OF 4

G:\TXN\Projects\Meinhardt_and_Associates_Architects_PLLC\11157-00-Molinos_USA_Lawrence_in_Sherman\SV\04_CAD\11157-00_EXH01.dwg 2025-08-08-16:00 mpeace



Sherman Development Engineering Group

Roadway Right-Of-Way Acquisition

1" = 300'

NORTH

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. F.5.

Meeting Date: 9/2/2025

Prepared By: Jana Walker, Controller

Approved By: Zachary Flores, Acting City Manager

Caption:
**** RESOLUTION NO. 7570***
Adopting an Investment Policy for the City of Sherman

Issue:
Obtaining Council approval for the Fiscal Year 2026 City of Sherman Investment Policy

Background:
By law, the Council must annually review and adopt an investment policy that governs the investing of public funds by the City. A substantive change was made this year to add investment pools that contain commercial paper to the list of authorized investments, which is allowed by the Public Funds Investment Act. This will provide access to higher yields than the traditional pools while still maintaining strong credit quality and liquidity. A copy of the proposed policy was provided to the Investment Committee prior to this meeting.

Capital Improvement Program:

Origination:
Finance Department

Financial Consideration:
There is no cost associated with changing the Policy

Staff Recommendation:
Investment Committee Recommendation
It is recommended that the Council approve the Policy as presented

Alternatives:
The Council could offer additional changes to those recommended by the staff and the Investment Committee, subject to Public Funds Investment Act (PFIA) requirements.

Attachments:
1. Resolution No. 7570
2. Investment Policy FY 25-26 DRAFT

RESOLUTION NO. 7570

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ADOPTING AN INVESTMENT POLICY FOR 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.

WHEREAS, Chapter 2256 of the Texas Government Code requires that all municipal investments shall be made in accordance with written policies approved by the governing body; and

WHEREAS, the investment policies must address liquidity, diversification, safety of principal, yield, maturity, and quality and capability of investment management; and

WHEREAS, the City of Sherman Investment Committee has proposed an investment policy which meets these goals;

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

SECTION 1. That all prior investment policies of the City of Sherman are hereby revoked in their entirety.

SECTION 2. That the City of Sherman Investment Policy, attached hereto and made a part hereof for all purposes, is hereby adopted and shall now and hereafter govern the investment activity of the City of Sherman.

SECTION 3. 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 2nd day of September, 2025.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LEAH ROBERTS,
EXECUTIVE DIR. OF ADMINISTRATION,
ACTING CITY CLERK

BY: _____
SHAWN TEAMANN, MAYOR

APPROVED AS TO FORM
AND CONTENT:

BY: _____
RYAN D PITTMAN, CITY ATTORNEY

CITY OF SHERMAN
INVESTMENT POLICY
September 2, 2025

1.0 Policy

It is the policy of the City of Sherman, Texas, ("City") to invest public funds in a manner which will provide the safest and most liquid opportunity with the highest investment return while meeting the daily cash flow demands of the City and conforming to the statutes governing the investment of public funds. This policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy. The policy and strategy shall be reviewed by the Investment Committee and the City Council annually. Any modifications will be formally approved by the City Council. This investment policy, as approved, is in compliance with the provisions of the Public Funds Investment Act of the Texas Government Code Chapter 2256 (PFIA).

2.0 Scope

This policy applies to all aspects of investing the financial assets of the City. These funds are accounted for in the City's Annual Comprehensive Financial Report and include: General Fund, Special Revenue Funds, Debt Service Funds**,** Capital Project Funds, Enterprise Funds, Trust and Agency Funds, and any new fund created by legislative body, unless specifically exempted or excluded. To maximize investment earnings, funds will be pooled and earnings allocated to the various funds based on their balances and in accordance with generally accepted accounting principles.

This policy shall not govern funds which are managed under separate investment programs in accordance with Section 2256.004 of the Public Funds Investment Act. Such funds currently include the Perpetual Care Cemetery and Mausoleum Fund, Deferred Compensation Fund and Bond Proceeds.

2.1 Perpetual Care Cemetery and Mausoleum Fund: This fund is governed by a trustee agreement and the provisions of Sections 712.021 - 712.029 of the Health and Safety Code. The investment decisions are the responsibility of the trustee. Therefore, this fund is excluded from this investment policy.

2.2 Deferred Compensation: The City's deferred compensation plan qualifies under Internal Revenue Service Section 457 and, therefore, is exempt from the Public Funds Investment Act and this policy.

2.3 Bond Proceeds: Funds received from the sale of general obligation bonds or certificates of obligation will be segregated and will be invested under a separate strategy.

3.0 Objectives

The following are the primary investment objectives of the City of Sherman, in order of priority:

3.1 Safety: Safety of principal is the foremost objective of the City of Sherman's investment

policy. Safety is defined as the undiminished return of the principal of the City's investments and deposits. Investment officers must have an adequate understanding of the suitability of individual investment instruments in light of the City's financial needs. This understanding is gained through experience of the investment officers and through training designed to increase the expertise of the investment officers.

3.2 Liquidity: Liquidity is important to ensure sufficient cash to meet all operating requirements. A liquid investment is one that can be easily and quickly converted into cash without a substantial loss of value.

3.3 Public Trust: All participants in the City's investment process shall perform their duties at the highest level of public trust. Investment officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

3.4 Yield: For the City of Sherman, the yield objective is secondary to those of safety and liquidity. Yield is defined as the rate of annual income return on an investment, expressed as a percentage. The one-year Constant Maturity Treasury rate or other Treasury-based rate which corresponds to the approximate weighted average of the portfolio will be a benchmark to promote a better understanding of portfolio performance.

4.0 Standards of Care

Persons who act in good faith and in compliance with this policy shall be relieved of any personal liability arising from the investment activities of the City of Sherman.

4.1 Prudence: Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration: (1) the investment of all funds under the City's control over which the officer had responsibility rather than a consideration as to the prudence of a single investment; (2) whether the investment decision was consistent with this written investment policy of the City of Sherman; and (3) whether the decision might have impaired public confidence in the City's ability to govern effectively.

4.2 Ethics: Investment officers shall refrain from any activity that conflicts, or appears to conflict, with the officer's proper execution of the investment program or which could impair the officer's ability to make impartial investment decisions.

4.3 Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of investment programs, or which could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose to the Texas Ethics Commission and the City Manager, and the City Manager discloses to the City Council if:

a) The officer has a personal business relationship with a business organization offering to engage in an investment transaction with the City; or

b) The officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the City.

4.4 Delegation of Authority: As originally granted by Resolution 3230, dated September 11, 1995, and modified by Resolution 5953 on April 6, 2015, the daily operation and management of the City of Sherman's investments are the responsibility of the following persons:

a) Investment Officers: The City Manager shall name two investment officers from among the employees with the following job titles: City Manager, Chief Financial Officer and Controller. The investment officers are authorized to deposit, withdraw, invest, transfer, or manage in any other manner, funds of the City of Sherman. Investments officers must disclose any business or personal relationships with business organizations offering to engage in an investment transaction with the City according to Section 2256.005.

b) Investment Committee: The Investment Committee shall consist of the City Manager and two members of the City Council as appointed by the Council. The committee shall annually approve the list of approved brokers, dealers and financial institutions, review and approve revisions to this policy, recommend investment strategies within this policy, and monitor investment results, controls, and compliance with this policy. The approved list of brokers, dealers and financial institutions is in Appendix B.

c) Other Investment Authorizations: The Financial Services Specialists, Accountants and the Chief Accountant are also authorized to deposit funds into the bank depository.

4.5 Quality and Capability of Investment Management: Recognizing that the investment officers of the City have many other duties and that they may lack formal education in investing, this policy allows the City to use only the more basic and easily understood types of investments available to local governments.

4.6 Training of Investment Officers: Investment training is required for all investment officers of the City. Within 12 months after assuming duties, each investment officer must complete initial training of at least 10 hours of instruction relating to the investment officer's respective responsibilities under the PFIA. Thereafter, each investment officer must attend an investment training session not less than once in a two-year period beginning on October 1st and receive not less than eight hours of instruction relating to investment responsibilities under the PFIA. Investment training sessions must be provided by approved sources which include the Government Finance Officers Association (GFOA), the Governmental Finance Officers Association of Texas (GFOAT), the Government Treasurers' Organization of Texas (GTOT), the University of North Texas Center for Public Management, and the Texas Municipal League.

5.0 Strategies

The investment strategy is the logical product of the investment objectives. As such, it emphasizes low credit risk, diversification, and the management of maturities. The strategy also takes into

account the expertise and time constraints of the investment officers. The allowable investments listed in Section 7 of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. The management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature at regularly-recurring intervals.

A basic strategy governs the investment of all funds under this policy. A separate strategy applies to the investment of bond proceeds.

5.1 Depository Bank: Funds at the depository bank are to be managed to a level that minimizes the cost of the relationship to the City. In instances where the depository contract allows for the payment of fees by maintaining balances at the depository, every effort is to be made to minimize the amount of money held at the depository in excess of that needed to compensate the bank for its services. Concerns about safety are to be addressed by the pledging requirements of the depository, in accordance with state law. This strategy specifies that sufficient funds to support daily operations are maintained in the depository bank, but that any funds in excess of that are held to a minimum. In accordance with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the City will require that the bank's board of directors or a designated committee approve the depository agreement, including the pledge of collateral to secure with bank's obligations with respect to the deposits maintained at the bank by the City.

5.2 Other Financial Institutions: The City may invest in certificates of deposit with maturities of five years or less with a bank other than the Depository Bank. A laddered maturity strategy is used for these instruments and only funds whose expenditure is not anticipated during the term of the certificate are invested.

5.3 Investment Pools: An investment pool is an entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are safety, liquidity, and yield. Funds are usually available from investment pools on a next day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staffs, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve diversification. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

5.4 Federal Deposit Insured Corporation (FDIC) Insured Investment Accounts: FDIC insured investments are interest bearing deposit accounts which meet public funds investment objectives of safety, liquidity and yield, similar to investment pools. Accounts are subject to FDIC regulations which enable depositors to obtain FDIC insurance coverage. Funds are usually available on a next day basis, meaning they have a high degree of liquidity. Deposits are aggregated with other deposit sources. There is no market risk (par value--dollar in/dollar out) and yields are typically higher than other short term investments. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in FDIC insured investment accounts.

5.5 Direct Investments: The City of Sherman purchases securities of the U.S. Treasury, U.S. Agencies, and direct obligations of this state, its agencies, counties, cities and other political

subdivisions in the secondary market and in the primary market in the case of new issue offerings. For purposes of this policy, the term "U. S. Agencies" shall include obligations, including letters of credit, of the United States or its agencies and instrumentalities. The City employs a laddered maturity strategy for these instruments. With that method, some investments reach maturity at regularly recurring intervals, enhancing liquidity. The investment officers must give consideration to the over-all liquidity of the portfolio before making a direct investment. Additionally, the City occasionally purchases a U. S. Treasury or Agency security with maturities as long as five years. See Section 5.6 below.

5.6 Hold until Maturity: The strategy of the City is to maintain enough liquidity in its portfolio that it never needs to sell a security. This will protect the principal of the investment against market risk. Should it become necessary to sell a security prior to maturity, the prior written consent of the City Manager must be obtained.

5.7 Investment of Reserve Funds: Up to one-third of the funds held in reserve are available for investment in Treasury or Agency securities with remaining maturities up to five years.

5.8 Separate Strategy for Bond Proceeds: Proceeds from the sale of general obligation bonds or certificates of obligation will be segregated from the other investments of the City. The basic intent is to match the availability of funds to the cash requirements of the capital projects. Therefore, the maturity limits of Section 7.8 do not apply. The following investments are available for this strategy: treasury securities, demand deposits, certificates of deposit, FDIC insured investment accounts and investment pools. Ten percent of anticipated costs of the projects must be kept in demand deposits or pooled investments to cover unanticipated cash demands. The remaining proceeds are to be invested so as to match anticipated demands for cash. Except for the requirement for demand deposits or investment pools above, there is no restriction on the percentage of the bond proceeds that may be invested in any authorized investment vehicle.

6.0 Authorized Financial Dealers and Institutions

6.1 Approved List of Investment Service Providers: All banking services will be governed by the depository contract. In addition, the Chief Financial Officer shall maintain a list of security brokers, dealers, financial institutions, and investment pools that are authorized by the Investment Committee and the City Council. To be eligible to be approved to do business with the City of Sherman, a seller of securities or financial institution must be a primary dealer, a regional dealer that qualifies under SEC Rule 15C3-1, be regulated by Federal banking authorities, or an investment pool that meets all the requirements of state law. More details on investment pool qualifications are listed in Section 7.4. Annually, the Investment Committee must review, revise and adopt a list of qualified brokers and financial institutions that are authorized to engage in investment transactions with the City. The approved list of financial institutions and broker/dealers can be found in Appendix B.

6.2 Acknowledgment of Investment Policy: A written copy of this investment policy shall be presented to any person or firm seeking to sell to the City any investment. A qualified representative of the business organization seeking to sell an investment shall execute a written instrument substantially to the effect that the registered principal has: (1) received and thoroughly reviewed the City's investment policy; and (2) acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment

activities arising out of investment transactions conducted between the City and the organization. The City's investment officers are expressly prohibited from buying any security from a person or firm which has not delivered a document that complies with the requirements of this section of the City's investment policy.

7.0 Authorized Investments, Including Diversification Limits and Maximum Maturities

Following is a list of investments that are authorized by this policy for inclusion in the City of Sherman's portfolio of investments. Also shown are the target and maximum percentages (portfolio cap) of that type of security and the maximum maturity that is allowable.

7.1 Certificates of Deposit: These investments are permitted if invested through a broker or depository institution that has its main office or a branch office in this state and is eligible under Section 2256.010 of the Public Funds Investment Act.

7.2 Obligations of the United States Treasury: United States Treasury Bills, Notes and Bonds are authorized investments of the City of Sherman. For purposes of collateral against the City's investments, the maximum length of remaining maturity may be fifteen years, as long as the total market value of the securities pledged against the City's investments always exceeds those investments.

7.3 Obligations of Agencies or Instrumentalities of the United States: United States Agency securities or other obligations, are authorized investments of the City provided that they are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States or its respective agencies and instrumentalities. For purposes of collateral against the City's investments, the maximum length of remaining maturity may be fifteen years, as long as the total market value of the securities pledged against the City's investments always exceeds those investments.

7.4 Investment Pools: Public funds investment pools which have been created to function as a money market mutual fund are authorized investments of the City provided that they meet the following criteria: (1) they are continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service; (2) they mark their portfolio to market daily; (3) they maintain a stable net asset value of no less than .995 and no more than 1.005; (4) they limit their investments to those allowable to local governments by state law; and, (5) they meet or exceed the initial and monthly disclosure requirements of applicable state law. ~~Deposits in investment pools that contain commercial paper are not authorized.~~

7.5 Federal Deposit Insurance Corporation (FDIC) Insured Investment Accounts: Interest bearing deposit accounts subject to FDIC regulations are authorized investments of the City provided they meet the following criteria: (1) the funds are invested through a broker or depository institution that has its main office or a branch office in this state and is eligible under Section 2256.010 of the Public Funds Investment Act; and (2) the balances are maintained at or below levels which qualify for FDIC insurance coverage.

7.6 Repurchase Agreements; Bankers' Acceptances; Commercial Paper: These investment options are authorized for the City of Sherman only to the extent that they are contained in the portfolios of approved public funds investment pools in which the City invests. The direct

investment in repurchase agreements, ~~and~~ bankers' acceptances or commercial paper ~~-~~by the City of Sherman is not authorized. However, indirect investment in repurchase agreements by the City's depository under a sweep arrangement is allowable for purposes of this policy.

7.7 Direct Obligations of this State, its agencies, Counties, Cities and other political subdivisions: State agency means an office, department, commission, board or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities rated no lower than A or at an equivalent rating by at least one nationally recognized rating service.

7.~~8~~8 Diversification Limits and Maximum Maturities: The City will diversify the portfolio at all times to ensure the reduction of risk while still maintaining reasonable rates of return and ensuring an adequate amount of liquidity. With the exception of authorized pools and FDIC insured investment accounts, no more than 50% of the total investment portfolio will be invested in a single security type, such as U.S. Agencies, U.S. Treasuries, obligations of the State of Texas and its subdivisions, Certificates of Deposits, etc.

The City will not invest in securities maturing more than five years from the date of purchase. The maximum average dollar-weighted maturity shall be 500 days.

8.0 Prohibited Securities

8.1 Allowed by State Law but Prohibited by This Policy: The following instruments are eligible for investment by local governments according to state law, but have been intentionally prohibited for the City by this policy: collateralized mortgage obligations; obligations of other states and their agencies, counties, cities, and other political subdivisions; bonds issued by the State of Israel; securities lending programs; guaranteed investment contracts; mutual funds; ~~commercial paper;~~ and investment pools except those pools which are created to function as money market mutual funds. This prohibition is in view of the time constraints on and the expertise level of the investment officers.

8.2 Expressly Prohibited by State Law and This Policy: The following securities are expressly prohibited by state law and this policy: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjust opposite to the changes in a market index (inverse floaters).

9.0 Collateralization

In accordance with Chapter 2257 of the Texas Government Code and the depository contract, all demand deposits and all time deposits will be collateralized by the pledging of investment securities or by letters of credit from Federal Home Loan Bank. If securities are used as collateral, the Finance Director or designee must approve the security prior to its pledging. Pledged securities shall always be held by a third party and evidenced by a current safekeeping receipt.

10.0 Safekeeping

All investment transactions entered into by the City, other than those with investment pools, certificates of deposit and FDIC insured investment accounts, shall be conducted on a delivery-versus-payment basis. Securities shall be held by a third party custodian and evidenced by current safekeeping receipts.

11.0 Internal Control

The Chief Financial Officer shall establish a system of internal controls designed to prevent the loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The system shall contain, but is not limited to, the following items:

11.1 Competitive Bids: Generally, securities will be purchased using competitive offerings. The Chief Financial Officer or designee shall make their best effort to obtain at least three offers from firms listed on the approved list of brokers and dealers. Offers shall be in writing and may be delivered to the City in person, or by fax or email. The award shall be on the basis of the best value to the City. Records of the offers and award shall be maintained by the Chief Financial Officer or designee.

The City recognizes that a competitive offering process is not always necessary or is not always in the best interest of the City. Accordingly, new issue offerings may be purchased directly from an approved broker/dealer in the primary market.

11.2 Delivery-Versus-Payment: The safekeeping agent must receive all investments, other than investment pool funds, certificates of deposit and FDIC insured investment accounts, before funds are released for their purchase.

11.3 Compliance Audit: In conjunction with its annual financial audit, the City shall require a compliance audit of management controls on investments and adherence to this policy.

11.4 Collateral: Evidence of pledged collateral shall be maintained by the Chief Financial Officer or designee. Collateral shall be reviewed weekly to assure that the market value of the pledged securities is adequate.

11.5 Other Components: Internal control shall address separation of transaction authority from accounting and recordkeeping, clear delegation of authority to subordinate staff members, and written confirmation of transaction for investments and wire transfers.

Other sections of this policy contain aspects of internal control procedures. These include holding securities until maturity, providing adequate training for all investment officers, requiring vendors to meet minimum qualifications before selling securities to the City, disclosing personal or business relationships between investment officers and vendors, and regular reporting of investments to the City Council.

12.0 Valuation

The market value of each investment in the City's portfolio will be calculated quarterly, on the following basis:

12.1 Investment Pools: Monthly statements are received from the investment pools which show the amount on deposit and the market value of the pool as a percentage of the book value. The market value of the investment pools will be the product of these two figures.

12.2 Treasury Notes: The market value of Treasury Notes will be obtained from the City's third-party securities custodian.

12.3 Treasury Bills: The market value of Treasury Bills will be obtained from the City's third-party securities custodian.

12.4 Agencies of the United States and the State of Texas: The market value of agency securities and direct obligations of this state, its agencies, counties, cities and other political subdivisions will be obtained from the City's third-party securities custodian.

13.0 Credit Ratings

The credit rating of each investment in the City's portfolio will be determined quarterly from Standard and Poor's, Moody's or other nationally recognized rating agencies. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

14.0 Performance Standards

For each of the City's investment objectives, following are the performance standards:

14.1 Safety: All investment principal is maintained.

14.2 Liquidity: Sufficient cash is maintained or can be generated to pay all current obligations without selling direct securities or incurring loss of principal.

14.3 Yield: Yield on the portfolio of City funds, excluding demand deposits at the bank depository, should approximate the Treasury-based yield having similar weighted-average maturities.

15.0 Reporting

No less than quarterly, the investment officers shall prepare, sign, and present to the City Council a report of the City's investments in compliance with section 2256.023 of the Public Funds Investment Act.

16.0 Investment Policy Adoption and Revision

The City Council shall adopt the written investment policy by resolution. Annually the City Council shall review the investment policy and strategy. Revisions to the policy shall be made by City Council resolution.

APPENDIX A

GLOSSARY OF COMMON TREASURY TERMINOLOGY

Agencies: Federal agency securities.

Amortized cost: Cost of investments adjusted for amortized premiums and discounts.

Asked: The price offered for securities.

Bid: The price offered by a buyer of securities.

Book value: A term synonymous with amortized cost.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

Collateral: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper (CP): An unsecured short-term promissory note issued by corporations, with maturities ranging from 2-270 days. Authorized by the Public Funds Investment Act with stated maturities not to exceed 365 days and rated not less than A1/P1 or its equivalent by at least two nationally recognized rating agencies or one nationally recognized rating agency plus fully secured by an irrevocable letter of credit issued by a domestic bank.

Coupon: (a) the annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

Credit Risk: The risk of loss of principal and interest due to a failure of the security or broker.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): The institutions that regulate and lend savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

Federal National Mortgage Association (FNMA): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open-market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C. 12 regional banks and about 5,700 commercial banks that are members of the system.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government, Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

Laddered Portfolio: Investment portfolio with securities in each maturity range (e.g. monthly) over a specified period of time.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pool (LGIP): The aggregate of all funds from political subdivisions that are placed in custody for investment and reinvestment.

Market Risk: The risk that the market value and interest earnings of an investment or a portfolio will fall due to changes in general interest rates.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and the financial institution or dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment, provide remedies in the case of default by either party and clarify issues of ownership. The master repurchase agreement protects the investor by eliminating the uncertainty of ownership and hence, allowing investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Offer: The price asked by a seller of securities.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

Prudent Person Rule: An investment standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own

affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bonds: Long-term U.S. Treasury securities having initial maturities of more than ten years.

Treasury Notes: Intermediate term coupon bearing U.S. Treasury securities having initial maturities from one to ten years.

Unrealized Gains (Losses): Increases (decreases) in the value of investments representing the difference between the amortized cost of the investments and their current market value. Increases (decreases) in value are caused primarily by changes in market interest rates subsequent to purchasing investments.

Weighted Average Rate of Return: Rate of return calculated based on interest earnings and the length of actual holding for each individual security.

Yield: The rate of annual income retu on an investment, expressed as a percentage. (a) **Income Yield** is obtained by dividing the current dollar income by the current market price of the security. (b) **Net Yield** or **Yield to Maturity** is the current income yield minus any premium above

par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield: The rate of annual income return on investment, expressed as a percentage.

APPENDIX B

APPROVED LIST OF BROKER/DEALERS AND FINANCIAL INSTITUTIONS

Local Government Investment Pools:

TexPool
Houston, TX

TexPool Prime
Houston, TX

TexStar
Dallas, TX

LOGIC
Dallas, TX

~~TexasTERM~~
~~Austin, TX~~

Depository Bank:

Simmons Bank
Sherman, TX

Other Financial Institutions:

BOK Financial Securities, Inc.
Sherman, TX

Brokers/Dealers:

FHN Financial Capital Markets, Inc.
Houston, TX

Hilltop Securities, Inc.
Dallas, TX

Investors Brokerage of Texas
Waco, TX

SAMCO Capital Markets, Inc.
Dallas, TX

Stifel Nicolaus & Co Inc.
Seattle, WA

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. G.1.

Meeting Date: 9/2/2025

Prepared By: Jana Walker, Controller

Approved By: Zachary Flores, Acting City Manager

Caption:
**** REQUEST TO ADVERTISE***
Request to Advertise for Bank Depository Services

Issue:
Requesting permission to advertise for a bank depository services contract.

Background:
In accordance with Texas Local Government Code Chapter 105, the City is required to select a qualified financial institution through a competitive process to provide depository and related banking services.

Capital Improvement Program:

Origination:
Finance Department

Financial Consideration:
The cost of advertising will be less than $500.00.

Staff Recommendation:
Authorize the Finance Department to advertise and solicit proposals for Banking Depository Services, in preparation for City Council consideration of an award at a future meeting.

Alternatives:
As may be directed by the City Council

Attachments:
None

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting Agenda Item No. H.1.

Meeting Date: 9/2/2025

Prepared By:

Approved By: Zachary Flores, Acting City Manager

Caption:

Other Business

Consider Scheduling a Joint Meeting of the City Council and the Sherman Independent School District Board of Trustees on September 29th at 5:00pm at the Sherman ISD Service Center

Issue:

Joint meeting between the City of Sherman City Council and the Sherman Independent School District

Background:

This meeting is to allow city council and school board members to provide direction and updates to each other and to the respective staffs. This meeting was requested by council before summer. With school back in session the school board has resumed their normal operations allowing for this meeting.

Capital Improvement Program:

N/A

Origination:

Financial Consideration:

None

Staff Recommendation:

N/A

Alternatives:

This meeting may be denied as it is not a legal requirement.

Attachments:

None

2025
Council Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
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February						
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March						
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April						
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May						
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June						
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July						
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August						
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31						

September						
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October						
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November						
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30						

December						
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21	22	23	24	25	26	27
28	29	30	31			

	Holiday
	Holiday for Firefighters/Police Only
	City Council Regular Meeting
	Special Called Meeting
	Budget Workshop
	Cancelled City Council Meeting

CALLED MEETINGS	
4/11/2025	Budget Planning Meeting
5/22/2025	Capital Improvement Meeting
9/12/2025	Joint Meeting with SEDCO
10/9/2025	Council/P&Z Training