CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, SEPTEMBER 21, 2020
5:00 P.M.

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

A. 2. PLEDGE OF ALLEGIANCE LED BY COUNCIL MEMBER SHAWN TEAMANN

A. 3. INVOCATION BY COUNCIL MEMBER SHAWN TEAMANN

A. 4. APPROVE MINUTES OF THE CALLED CITY COUNCIL MEETING OF SEPTEMBER 8, 2020

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.

Public Hearing

C. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6326

Amending the Code of Ordinances to add a New Chapter 15 to be entitled "Impact Fees"; Establishing Water, Wastewater, and Roadway Impact Fees per Service Unit; Establishing Procedures for the Assessment, Collection, Computation, Expenditure, Refund and General Administration of Impact Fees; Providing for the Establishment of Accounts for Impact Fees; Establishing an Appeal Procedure

Close Public Hearing and Consider Adoption of Ordinances

C. 2. ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number: 6326

C. 3. CONSENT AGENDA

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

Resolutions

D. 1. **RESOLUTION NO. 6650**
Authorizing Execution of a Development Agreement between the City of Sherman and Brown Lewisville Railroad Family First LP for the Construction of Public Facilities for 695 Highway 11, Sherman, TX, in the City of Sherman's Extra Territorial Jurisdiction (ETJ)

D. 2. **** RESOLUTION NO. 6651***
Authorizing Execution of a Development Agreement between the City of Sherman and CFT NV Developments, LLC for the Construction of Public Facilities in Replat of Sherman Crossroads, Phase II, Lots 1R-1 and 6, Block 2, a 1.012-acre Development off of Crossroads Boulevard, North of F.M. 1417 (Heritage Parkway) in the City of Sherman

D. 3. **RESOLUTION NO. 6652**
Authorizing Execution of an Interlocal Agreement between the City of Sherman and the Sherman Independent School District for Grant Funding awarded by the Texas Department of Emergency Management Coronavirus Relief Fund

D. 4. **RESOLUTION NO. 6653**
Amending the 2019-2020 Budget of the City of Sherman, Texas, Appropriating and Allocating Additional Funds for the Period of October 1, 2019 through September 30, 2020

D. 5. **** RESOLUTION NO. 6654***
Authorizing the City Manager to Execute a Contract with The Sherman Museum for Expenditure of a Portion of the Funds Collected by the City of the Hotel-Motel Occupancy Tax

D. 6. **** RESOLUTION NO. 6655***
Revoking and Replacing Resolution No. 6536; Establishing Salary Structures and Incentive/Certification Pay Schedules for Firefighters and Police Officers; Establishing Special Longevity Pay Schedules for Newly Hired Firefighters and Police Officers; Providing for an Effective Date

D. 7. **** RESOLUTION NO. 6656***
Adopting an Investment Policy for the City of Sherman

Requests to Advertise

E. 1. **** REQUEST TO ADVERTISE***
Annual Two-Way Radio and Early Warning Siren Maintenance

F. **MEDIA QUESTIONS**

G. **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

H. 1. EXECUTIVE SESSION

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

Section 551.071	Consultation with City Attorney concerning Pending or Contemplated Litigation
Section 551.071	Consult with the City Attorney on a Matter in which the Duty of the Attorney to the Governmental Body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Chapter
Section 551.074	Personnel Matters: (a) Deliberate the Evaluation of a Public Officer or Employee (1) Annual Performance Evaluation of the City Manager (b) Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of a Public Officer or Employee
Section 551.087	Deliberation Regarding Economic Development Negotiations: (a) Deliberate Regarding Commercial or Financial Information that the City has Received from a Business Prospect and Deliberate any Offers or Incentives to the Business Prospect

The Council reconvenes into General Session

I. 1. OPEN MEETING

Reconvene into Open Meeting and Consider Action, if any, on items discussed in Executive Session

J. ADJOURNMENT

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 September 18, 2020 at 2:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 18th day of September, 2020.
City of Sherman, Texas

_____
City Clerk

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time.

All agenda items are subject to final action by the City Council.

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

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

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

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

Mayor	Deputy Mayor	Council Members	
David Plyler	Willie Steele	Willie Steele, Council-At-Large, PL #1	Josh Stevenson, Council – District #2
		Sandra Melton, Council-At-Large, PL #2	Pamela L. Howeth, Council – District #3
		Shawn C. Teamann, 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 CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **A. 4.**

Meeting Date: 09/21/2020

Prepared By: Linda Ashby, City Clerk

Approved By: Robby Hefton, City Manager

Caption:

APPROVE MINUTES OF THE CALLED CITY COUNCIL MEETING OF SEPTEMBER 8, 2020

Attachments

September 8, 2020 - Called Meeting

Impact Fee Update

STATE OF TEXAS §

September 8, 2020

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Called Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on September 8, 2020.

MEMBERS PRESENT: **MAYOR DAVID PLYLER; DEPUTY MAYOR WILLIE STEELE. COUNCIL MEMBERS HOLLAND, HOWETH, MELTON, STEVENSON, TEAMANN.**

MEMBERS ABSENT: **NONE.**

CALL TO ORDER — **CALL TO ORDER**

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

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of August 17, 2020. Council Member Howeth moved to approve the Minutes, as presented; Second by Council Member Teamann; All present voted AYE.
MOTION CARRIED.

CITIZEN'S COMMENTS — **CITIZEN'S COMMENTS**

There were no citizen's comments.

Mayor Plyler introduced Ordinance No. 6316 and called for a public hearing: — **ORD 6316 CANCELING REGULAR MUNICIPAL ELECTION**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING AS ELECTED THE UNOPPOSED CANDIDATES FOR THE OFFICE OF CITY COUNCIL MEMBER FOR DISTRICT 2 AND FOR DISTRICT 4; FINDING THAT ALL NECESSARY AND REQUIRED LEGAL CONDITIONS HAVE BEEN SATISFIED; PROVIDING THAT THE NOVEMBER 3, 2020 REGULAR MUNICIPAL ELECTION FOR CITY COUNCIL SHALL NOT BE HELD; PROVIDING FOR POSTING OF THIS ORDINANCE ON ELECTION DAY, NOVEMBER 3, 2020; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

Brandon Shelby, City Attorney, said the City was able to cancel the Regular Municipal Election, as all positions were unopposed.

No citizens appeared before the City Council to discuss Ordinance No. 6316.

Mayor Plyler introduced Ordinance No. 6317 and called for a public hearing: — **ORD 6317 TIRZ #3 EXPANSION**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXPANDING SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE (#3) (EAST OF

INTERSECTION OF U.S. HIGHWAY 75 AND LOY LAKE ROAD); PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

Mary Lawrence, Director of Finance, said this ordinance would expand Tax Increment Reinvestment Zone #3, which includes Kohl's, Academy, and Cracker Barrel. It also includes Loy Lake Road from Hwy 75 to Hwy 82.

The expansion would include an 80 plus acre tract, south of that area, by Gallagher Road. The new project would be at the old Medical Plaza Hospital site.

This is the last year that funds from the original financing plan would be used, and that was for the improvements on Loy Lake Road. The tax notes were paid off in 2020.

The new project would only be paid using incremental revenues and fund balances currently in that fund. The proposed projects are estimated to be about $400,000 out of the current tax increment fund. The rest of the project cost is estimated at $1 million total, $400,000 for the City and about $600,000 for the owner of the property.

She said the next agenda item is to amend the project and financing plan that was just discussed.

No citizens appeared before the City Council to discuss Ordinance No. 6317.

Mayor Plyler introduced Ordinance No. 6318 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING AND APPROVING THE AMENDED PROJECT PLAN AND THE FINANCING PLAN FOR THE SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE (#3); PROVIDING FOR FINDINGS OF FACT.

ORD 6318
TIRZ #3 AMENDED PROJECT PLAN & FINANCING PLAN

Ms. Lawrence said the first vote was to expand the Tax Increment Reinvestment Zone #3, and the second step is to amend the Project and Financing Plan.

The TIRZ #3 Board has approved the Plan and now it is set for City Council approval.

No citizens appeared before the City Council to discuss Ordinance No. 6318.

Mayor Plyler introduced Ordinance No. 6319 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 6.11, ORDINANCE NO. 2280, SO AS TO AMEND A PLANNED DEVELOPMENT FOR BEL AIR VILLAGE FORMERLY KNOWN AS TERRA PERPETUA VILLAGE (ORDINANCE NO. 6232) IN THE 300-1000 BLOCKS OF EAST F.M. 1417 (VIETNAM VETERANS PARKWAY), TO

ORD 6319
BEL AIR VILLAGE PLANNED DEVELOPMENT

INCLUDE 32.545 ACRES FOR A TOTAL OF 278.313 ACRES IN THE SHERROD DUNMAN SURVEY, ABSTRACT NO. 329 (TERRA PERPETUA, LLC, OWNERS; BRYAN KLEIN, ION DESIGN GROUP, REPRESENTATIVE; BUSH ARCHITECTS, LLC, ARCHITECT; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS PLANNED DEVELOPMENT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Rob Rae, Director of Development Services, said this item is for a zone change from R-1 to a Planned Development. A small portion of the existing Planned Development that will be expanded.

He said there are also some amendments to the Planned Development and the name of the Planned Development will be changed from Terra Perpetua to Bel Air Village.

The Planning and Zoning Commission recommended approval of the Planned Development.

No citizens appeared before the City Council to discuss Ordinance No. 6319.

ORD 6320
ATMOS RATE REVIEW
NEGOTIATED
SETTLEMENT

Mayor Plyler introduced Ordinance No. 6320 and called for a public hearing:
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 2020 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 ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

Mr. Shelby said several months ago, the City Council declared that the request for Atmos' rate increase was unreasonable. Since that time, there has been negotiations with the Steering Committee.

Atmos was claiming $441.2 million, but the consultants concluded that $80.8 million was a more reasonable amount.

A settlement was reached for an additional $90 million with a two month effective day delay, which would functionally be the same as the $80.8 million.

Mr. Shelby said the impact on the average residential customer will be about $5.15 per month, or a 9.9% increase for a residential user. For an average commercial user, the impact will be $15.48 per month, or a 6.56% increase.

No citizens appeared before the City Council to discuss Ordinance No. 6320.

Mayor Plyler introduced Ordinance No. 6321 and called for a public hearing:

ORD 6321 ZONE CHANGE FOR DEVELOPMENT (900 BLOCK OF NORTH FM 1417)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 900 BLOCK OF NORTH F.M. 1417 (HERITAGE PARKWAY), TRACT 1 BEING 11.244 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, AND TRACT 2 BEING 0.010 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, FOR A TOTAL OF 11.254 ACRES (WASHINGTON 1417 LP, OWNERS; TIM PIKE, WYLDEWOOD HOMES, PROSPECTIVE BUYER; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER.

Mr. Rae said this is a zone change from C-1 to R-1, on FM 1417, close to Washington Street. There are 136 proposed lots at the location. The owner has not proposed any exceptions or variances.

No citizens appeared before the City Council to discuss Ordinance No. 6321.

Mayor Plyler introduced Ordinance No. 6322 and called for a public hearing:

ORD 6322 SUP FOR INDOOR GUN RANGE (2926 TEXOMA PKWY)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A COMMERCIAL AMUSEMENT CENTER (INDOOR GUN RANGE) IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 2926 TEXOMA PARKWAY, BEING 1.719 ACRES IN THE REUBEN HENDRIX SURVEY, ABSTRACT NO. 504 (PHILLIP S. JENNINGS, JR. FAMILY TRUST, OWNERS; STEVE JENNINGS, REPRESENTATIVE; BLACKBEARD ARMORY & RANGE, LLC, TENANT; TAP SMITH, MANAGER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this is for a Specific Use Permit to allow a gun range at this location. There was previously a gun range at this location, however it was discontinued for more than 60

days. Because of that, they were required to apply for another SUP. The new owners are planning to update the gun range and to improve the safety.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6322.

Mayor Plyler introduced Ordinance No. 6323 and called for a public hearing:

ORD 6323 ZONE CHANGE & SUP FOR PATIO HOMES (500 BLOCK OF EAST NORTHCREEK)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AND SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW UP TO THIRTY-NINE (39) PATIO HOMES IN THE PROPOSED COTTAGES OF MAGNOLIA VILLAGE IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 500 BLOCK OF EAST NORTHCREEK DRIVE, BEING 6.166 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 273 (YOUNG ENTERPRISES, LP, OWNERS; VINCENT STANKO, JONES/CARTER, CIVIL ENGINEER; DREAM TO LIFE DESIGNS, DESIGNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this zone change from C-1 to R-1, is behind Home Depot on East Northcreek Drive. The Specific Use Permit is for patio homes, as well as the zone change.

The applicant met with the Planning Department, Engineering, and the Fire Marshal, in advance of his application with the Planning and Zoning Commission.

The Planning and Zoning Commission approved the zone change and the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6323.

Mayor Plyler introduced Ordinance No. 6324 and called for a public hearing:

ORD 6324 ZONE CHANGE (230 EAST SYCAMORE)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-1 (RETAIL BUSINESS) DISTRICT AT 230 EAST SYCAMORE STREET, BEING LOT 1, ELLISON ADDITION (1303 GROUP, LLC, OWNERS; VILBIG & ASSOCIATES, PLLC, CIVIL ENGINEER; AND DAVID BACA STUDIO, ARCHITECT); PROVIDING FOR A REPEALER.

Mr. Rae said this item is for a zone change from C-2 to C-1, to build a three-story office building, across from the Department of Public Safety Office. The zone change is required to build a three-story building.

The Planning and Zoning Commission recommended approval of the zone change.

No citizens appeared before the City Council to discuss Ordinance No. 6324.

Mayor Plyler introduced Ordinance No. 6325 and called for a public hearing:

ORD 6325
STOP SIGNS

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT ALL WAY "STOP" SIGNS AT THE INTERSECTION OF CASE ROAD AND ELLIOTT ROAD WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN, TEXAS; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Wayne Lee, Director of Engineering, said the City had a request that a stop sign be placed on Case Road At Elliott Road, due to sight restrictions.

The staff evaluated the situation and determined that there were sight issues at the location and it was hard to see traffic without entering the intersection. It was determined that there was justification for a three-way stop.

No citizens appeared before the City Council to discuss Ordinance No. 6325.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6316

ORD 6316
CANCELING REGULAR MUNICIPAL ELECTION

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING AS ELECTED THE UNOPPOSED CANDIDATES FOR THE OFFICE OF CITY COUNCIL MEMBER FOR DISTRICT 2 AND FOR DISTRICT 4; FINDING THAT ALL NECESSARY AND REQUIRED LEGAL CONDITIONS HAVE BEEN SATISFIED; PROVIDING THAT THE NOVEMBER 3, 2020 REGULAR MUNICIPAL ELECTION FOR CITY COUNCIL SHALL NOT BE HELD; PROVIDING FOR POSTING OF THIS ORDINANCE ON ELECTION DAY, NOVEMBER 3, 2020; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

Ordinance 6317

ORD 6317
TIRZ #3 EXPANSION

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXPANDING SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE (#3) (EAST OF INTERSECTION OF U.S. HIGHWAY 75 AND LOY LAKE ROAD);

PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

Ordinance 6318 — **ORD 6318 TIRZ #3 AMENDED PROJECT PLAN & FINANCING PLAN**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING AND APPROVING THE AMENDED PROJECT PLAN AND THE FINANCING PLAN FOR THE SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE (#3); PROVIDING FOR FINDINGS OF FACT.

Ordinance 6319 — **ORD 6319 BEL AIR VILLAGE PLANNED DEVELOPMENT**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 6.11, ORDINANCE NO. 2280, SO AS TO AMEND A PLANNED DEVELOPMENT FOR BEL AIR VILLAGE FORMERLY KNOWN AS TERRA PERPETUA VILLAGE (ORDINANCE NO. 6232) IN THE 300-1000 BLOCKS OF EAST F.M. 1417 (VIETNAM VETERANS PARKWAY), TO INCLUDE 32.545 ACRES FOR A TOTAL OF 278.313 ACRES IN THE SHERROD DUNMAN SURVEY, ABSTRACT NO. 329 (TERRA PERPETUA, LLC, OWNERS; BRYAN KLEIN, ION DESIGN GROUP, REPRESENTATIVE; BUSH ARCHITECTS, LLC, ARCHITECT; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS PLANNED DEVELOPMENT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Ordinance 6320 — **ORD 6320 ATMOS RATE REVIEW NEGOTIATED SETTLEMENT**

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 2020 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 ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

Ordinance 6321 — **ORD 6321 ZONE CHANGE FOR DEVELOPMENT (900 BLOCK OF NORTH FM 1417)**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 900 BLOCK OF NORTH F.M. 1417 (HERITAGE PARKWAY), TRACT

1 BEING 11.244 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, AND TRACT 2 BEING 0.010 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, FOR A TOTAL OF 11.254 ACRES (WASHINGTON 1417 LP, OWNERS; TIM PIKE, WYLDEWOOD HOMES, PROSPECTIVE BUYER; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER.

Ordinance 6322

ORD 6322 SUP FOR INDOOR GUN RANGE (2926 TEXOMA PKWY)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A COMMERCIAL AMUSEMENT CENTER (INDOOR GUN RANGE) IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 2926 TEXOMA PARKWAY, BEING 1.719 ACRES IN THE REUBEN HENDRIX SURVEY, ABSTRACT NO. 504 (PHILLIP S. JENNINGS, JR. FAMILY TRUST, OWNERS; STEVE JENNINGS, REPRESENTATIVE; BLACKBEARD ARMORY & RANGE, LLC, TENANT; TAP SMITH, MANAGER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Ordinance 6323

ORD 6323 ZONE CHANGE & SUP FOR PATIO HOMES (500 BLOCK OF EAST NORTHCREEK)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT AND SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW UP TO THIRTY-NINE (39) PATIO HOMES IN THE PROPOSED COTTAGES OF MAGNOLIA VILLAGE IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 500 BLOCK OF EAST NORTHCREEK DRIVE, BEING 6.166 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 273 (YOUNG ENTERPRISES, LP, OWNERS; VINCENT STANKO, JONES/CARTER, CIVIL ENGINEER; DREAM TO LIFE DESIGNS, DESIGNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Melton asked what patio homes were, and if it related to the dimensions of a lot. Mr. Rae said patio homes are located on smaller lots and have smaller setbacks from the side.

She asked if the reason was to get more houses in the area. Mr. Rae said there were a variety of reasons, to use the patio home designation, but that was one of the reasons. She verified that is the reason for this particular request.

Council Member Melton asked why that required an exception. Mr. Rae said currently the R-1 zoning only allows a minimum of 60-foot lots, and in this case, they would want a smaller lot. She verified that the lot length for these patio homes was 50 feet, which would be 10 feet less on each lot.

Council Member Holland verified the vote from the Planning and Zoning Commission, which was seven to zero in favor of approval.

Ordinance 6324 — **ORD 6324 ZONE CHANGE (230 EAST SYCAMORE)**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE C-1 (RETAIL BUSINESS) DISTRICT AT 230 EAST SYCAMORE STREET, BEING LOT 1, ELLISON ADDITION (1303 GROUP, LLC, OWNERS; VILBIG & ASSOCIATES, PLLC, CIVIL ENGINEER; AND DAVID BACA STUDIO, ARCHITECT); PROVIDING FOR A REPEALER.

Ordinance 6325 — **ORD 6325 STOP SIGNS**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT ALL WAY "STOP" SIGNS AT THE INTERSECTION OF CASE ROAD AND ELIOTT ROAD WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN, TEXAS; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Council Member Melton asked about the site issues for this request. Mr. Lee said there was a huge amount of growth and vegetation at that location, which makes it hard to see to the west without entering the intersection.

Council Member Melton asked if it was the owner's or the City's responsibility to keep the vegetation trimmed. Mr. Lee said that property is in the County, but the roadway is actually in the City. Mr. Hefton added that there are also elevation changes that contribute to the sight issues.

Council Member Melton said if it's a sight issue, it can be fixed by the City. Mr. Lee said to do so, it would require that the City obtain sight easements from the property owner. Mr. Hefton said there would still be problems with sight visibility because of elevation changes in the road.

Mayor Plyler said the road slopes down at that intersection and there have been accidents. Council Member Melton said she wasn't against the signage, but felt there were other things to help keep accidents from happening.

Council Member Teamann said the City receives requests for yield signs, stop signs, and speed bumps, and he said one of the requirements is how many accidents have happened at the location. He asked what criteria is used and whom a citizen would contact if they wanted traffic control signage. Mr. Lee

said citizens should contact the Engineering Department. The staff would then evaluate the situation and consider the criteria required to justify the signage. It doesn't have to be just from the number of accidents at a location.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Ordinance Nos. 6316, 6317, 6318, 6319, 6320, 6321, 6322, 6323, 6324, and 6325, as presented. Second by Council Member Howeth.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

CONSENT AGENDA

CONSENT AGENDA

The Council reviewed the Consent Agenda. Council Member Teamann asked to remove Item D-5, entitled "Resolution No. 6646 – Authorizing Execution of an Agreement for Fire Protection Services between Grayson County, Texas and the City of Sherman, Texas for the Period of October 1, 2020 through September 30, 2021" and Item D-6, entitled "Resolution No. 6647 – Authorizing Execution of an Agreement for Ambulance Services with Grayson County for the Period of October 1, 2020 through September 30, 2021" for consideration in their regular order of business.

Deputy Mayor Steele moved to approve the Consent Agenda, with the exception of Items D-5 and D-6, which will be considered in their regular order of business. Second by Council Member Howeth. All present voted AYE.

RESOLUTION NO. 6642 – APPROVING THE BYLAWS OF THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION; PROVIDING FOR A REVIEW OF THE BYLAWS; PROVIDING FOR AN EFFECTIVE DATE

RES 6642
SEDCO BYLAWS UPDATE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE BYLAWS OF THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION; PROVIDING FOR A REVIEW OF THE BYLAWS; PROVIDING FOR AN EFFECTIVE DATE.

Kent Sharp, President, Sherman Economic Development Corporation, said they have been reviewing their by-laws and have made some significant changes that were approved by their board, and now need to be approved by the City Council.

The original by-laws were written in 1996, and were amended in 2006 and 2010. One reason for the review was to make sure the by-laws were in compliance with the Legislative changes.

There were some formatting changes, but Mr. Sharp said there was one big change. Previously the terms were two, two-year terms, for a total of four years. The board changed the terms to two, three-year terms, for a total of six years.

There was also some language introduced to help clarify the financial administration issues. This clarified what the board has authority to do versus what the Council has the authority to do.

Council Member Melton felt changing the terms on the board was a good idea. She said it's the same with Council Members, and takes a little time to get acclimated to the position.

Council Member Stevenson clarified that after serving two terms on SEDCO, board members would have to say off a complete three-year term before they would be eligible to serve again. Mr. Sharp added that the by-laws also contain clarifying language about how the term change would affect existing board members. Council Member Stevenson clarified that SEDCO officers are actually elected annually.

Council Member Howeth asked if there were any other organization by-laws that had not been updated. Mayor Plyler said each group is responsible for initiating the update of their own by-laws.

ACTION TAKEN.

Motion by Council Member Melton to adopt Resolution No. 6642, as presented. Second by Deputy Mayor Steele.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6643 DEVELOPMENT AGREEMENT – HP 2020 JOINT VENTURE (HICKORY ST)

RESOLUTION NO. 6643 – AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND HP 2020 JOINT VENTURE, A TEXAS JOINT VENTURE, FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN GRAHAM ADDITION, A 2.787-ACRE DEVELOPMENT OFF OF HICKORY STREET, NORTH OF PELTON STREET IN THE CITY OF SHERMAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND HP 2020 JOINT VENTURE, A TEXAS JOINT VENTURE, FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN GRAHAM ADDITION, A 2.787-ACRE DEVELOPMENT OFF OF HICKORY STREET, NORTH OF PELTON STREET IN THE CITY OF SHERMAN.

Mr. Lee said this was a development agreement with public improvements. This is a development of duplexes, and they are extending about 500 feet of water and wastewater mains to City standards.

Council Member Melton verified that the developer is not asking for anything from the City.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6643, as presented. Second by Council Member Teamann.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6644
CBD HISTORIC BLDG RESTORATION GRANT (224 E. HOUSTON)

RESOLUTION NO. 6644 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH GAVIN MANDT-RAUCH UNDER THE CITY OF SHERMAN'S CENTRAL BUSINESS DISTRICT HISTORIC BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM FOR IMPROVEMENTS TO 224 EAST HOUSTON STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH GAVIN MANDT-RAUCH UNDER THE CITY OF SHERMAN'S CENTRAL BUSINESS DISTRICT HISTORIC BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM FOR IMPROVEMENTS TO 224 EAST HOUSTON STREET.

Nate Strauch, Community and Support Services Manager, said this is an application for the Historic Building Restoration and Improvement Grant, known as the Façade Grant, to be located in the downtown area.

Usually the developers make application to the City prior to beginning work. This application was "put on hold" for several months, because of the COVID situation, and the staff wanted to be sure the City was on firm financial footing before it was considered.

Gavin Mandt-Rauch said the application was submitted prior to starting the construction work. They should be getting the Certificate of Occupancy in about three weeks.

Improvements have cost about $250,000 instead of the $165,000 that was originally estimated. The building is located at the corner of Montgomery Street and Houston Street, and he said it is no longer an eyesore.

ACTION TAKEN.

Motion by Council Member Howeth to adopt Resolution No. 6644, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

Deputy Mayor Steele said he would like to know how many of these projects have been approved, and how many have not started construction yet. He asked if the money was sitting

there waiting on these projects, and verified that there was a deadline.

Mr. Strauch said there is a deadline on the projects. Money for the projects would be encumbered and set aside, until the receipts are submitted. If they don't pull a permit during the first year on the project, the money "goes away" and they would need to reapply.

Mr. Hefton said the staff will get the other information that Deputy Mayor Steele asked about. Deputy Mayor Steele said he felt it was a good program, but felt there might be some funds available that aren't being used.

Mr. Strauch said 18 or 19 projects have been approved over the course of the entire program, and all but a couple of those have come to fruition.

RES 6645
RAMP GRANT FOR MUNICIPAL AIRPORT

RESOLUTION NO. 6645 – AUTHORIZING SUBMISSION OF AN APPLICATION FOR A GRANT AWARDED BY THE TEXAS DEPARTMENT OF TRANSPORTATION UNDER THE ROUTINE AIRPORT MAINTENANCE PROGRAM TO FUND IMPROVEMENTS AT THE SHERMAN MUNICIPAL AIRPORT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF AN APPLICATION FOR A GRANT AWARDED BY THE TEXAS DEPARTMENT OF TRANSPORTATION UNDER THE ROUTINE AIRPORT MAINTENANCE PROGRAM TO FUND IMPROVEMENTS AT THE SHERMAN MUNICIPAL AIRPORT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY.

CONSENT AGENDA.

RES 6646
FIRE SERVICES AGREEMENT WITH GRAYSON COUNTY

RESOLUTION NO. 6646 – AUTHORIZING EXECUTION OF AN AGREEMENT FOR FIRE PROTECTION SERVICES BETWEEN GRAYSON COUNTY, TEXAS AND THE CITY OF SHERMAN, TEXAS FOR THE PERIOD OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT FOR FIRE PROTECTION SERVICES BETWEEN GRAYSON COUNTY, TEXAS AND THE CITY OF SHERMAN, TEXAS FOR THE PERIOD OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021.

Council Member Teamann removed Item D-5 from the Consent Agenda for discussion.

Council Member Teamann asked for clarification on Items D-5 and D-6, saying between 2014 and 2018, there was an increase of about 3% in the rates of fire and ambulance services with

Grayson County. The rates held steady in 2018, 2019, and 2020.

He said he remembered that the County was going to upgrade some things and they were trading out services with the City in place of upgrading those rates.

Mr. Hefton said there are various services that the City provides to the County and various services that the County provides to the City.

Bill Magers, Grayson County Judge, said the County spent $1.5 million in infrastructure in the County, and it was a two-year "pay-off." This was done in lieu of increasing the fire and ambulance rates, since they spent $1 million in taxpayer money for the infrastructure. He added this should be the last year.

RES 6647 AMBULANCE SERVICE

AGREEMENT WITH GRAYSON COUNTY

RESOLUTION NO. 6647 – AUTHORIZING EXECUTION OF AN AGREEMENT FOR AMBULANCE SERVICES WITH GRAYSON COUNTY FOR THE PERIOD OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT FOR AMBULANCE SERVICES WITH GRAYSON COUNTY FOR THE PERIOD OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021.

Council Member Teamann removed Item D-6 from the Consent Agenda for discussion.

ACTION TAKEN.

Motion by Council Member Teamann to adopt Resolution No. 6646 and 6647, as presented. Second by Council Member Holland.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6648 ENCROACHMENT EASEMENT FOR ACCESS DRIVE (ALLEY BETWEEN HIGHLAND & BINKLEY, SOUTH OF FAIRVIEW)

RESOLUTION NO. 6648 – AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO FACE VALUE PRODUCTIONS, INC. FOR THE INSTALLATION OF A TWELVE FOOT WIDE PAVED ACCESS DRIVE WITHIN THE PLATTED PUBLIC ALLEY RUNNING NORTH AND SOUTH BETWEEN HIGHLAND AVENUE AND BINKLEY STREET, SOUTH OF FAIRVIEW STREET IN NORTHWEST HEIGHTS 3RD ADDITION, VOLUME 2, PAGE 10, PRGCT, FOR REAR ENTRY PURPOSES FOR LOT 4, BLOCK 1 OF SAID NORTHWEST HEIGHTS 3RD ADDITION IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, AS SHOWN IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO FACE VALUE PRODUCTIONS, INC. FOR THE INSTALLATION OF A TWELVE

FOOT WIDE PAVED ACCESS DRIVE WITHIN THE PLATTED PUBLIC ALLEY RUNNING NORTH AND SOUTH BETWEEN HIGHLAND AVENUE AND BINKLEY STREET, SOUTH OF FAIRVIEW STREET IN NORTHWEST HEIGHTS 3RD ADDITION, VOLUME 2, PAGE 10, PRGCT, FOR REAR ENTRY PURPOSES FOR LOT 4, BLOCK 1 OF SAID NORTHWEST HEIGHTS 3RD ADDITION IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, AS SHOWN IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.
CONSENT AGENDA.

OTHER BUSINESS

RECEIVE BI-ANNUAL REPORT ON THE SHERMAN CULTURAL DISTRICT

SHERMAN CULTURAL DISTRICT REPORT

Cary Wacker, Former Mayor and Austin College Associate Vice President for Institutional Advancement and Director of the Center for Community and Regional Development, presented an update on the Sherman Cultural District. The update detailed accomplishments between March 2020 and August 2020.

She said with COVID, some of the plans they had for the Cultural District had to be changed and events had to be delayed. She also revamped the organization's website.

One event that was held was the Sher-Town Taco Tour, which "packaged what Sherman has," which was 13 "taco shops" in, or nearly in, the Cultural District.

During the period, and with the help of Jared Tredway, Cultural District Advisory Council Member, a new logo and new brand were introduced for the organization.

They also submitted an application to the Texas Commission on the Arts for a Cultural District grant for downtown wayfinding signage. They were awarded $4,800 for the signage, which will be matched by the City. The signs will be produced by the City's Street Department, and will replace the current 25-year old signs.

One project that was delayed from the early Spring until the Summer, was engaging some consultants to help design a public art plan. Through grant money, they were able to form a partnership with the Fort Worth Commission for the Arts, to help plan for a public art project. The written report will be available around the end of September 2020.

Ms. Wacker also outlined coming events, and recognized Jim Bob McMillan, Deputy Director, on his retirement from the Texas Commission on the Arts. He oversaw the Cultural District Programs for many years and helped Sherman prepare for and obtain the Cultural District designation.

Council Member Holland asked how the west side of Sherman was being promoted. Ms. Wacker said there has been a "soft relaunch" this summer. There are several things coming up

for the west side, but they plan to publicize them through social media.

RECEIVE PRESENTATION FROM DEVELOPMENT SERVICES DIRECTOR ROB RAE, AICP ON THE 2020 IMPACT FEE STUDY AND THE DRAFT IMPACT FEE ORDINANCE **IMPACT FEES**

Mr. Rae said this was an update item and no action was required from the Council tonight. A public hearing is scheduled for September 21, 2020 on the draft Impact Fee Ordinance. There will be a request for Council action at the next City Council Meeting.

At the last meeting, Jeff Whitacre, Vice President, Kimley-Horn, discussed the proposed Service Areas, Land Use Assumptions, Capital Improvement Plan and the Maximum Fee Calculation. The same presentation was presented to the Capital Improvements Advisory Committee at the August 18, 2020 Meeting. Mr. Rae presented CIAC comments that came from that meeting.

He outlined the elements of the draft Impact Fee Ordinance, adding that this includes the date the study was adopted; the Service Areas; the administration of the ordinances; how the Impact Fees are set; credits and offsets; how Impact Fees are collected; exemptions for Impact Fees, such as public schools, existing buildings, and affordable housing; and administration of Impact Fees, such as refunds, rebates, and appeals.

Mr. Rae presented the Roadway Impact Fee, which is designated by Service Areas, showing both the maximum fee per Service Unit and the proposed Collection Rate. He also broke it out by type of land use, per Service Area.

The Water and Wastewater Impact Fees proposed are based on meter size and are the same throughout the City. There are no specific Service Areas for these fees. He explained the maximum allowable Impact Fee and the proposed Collection Rate from the staff.

Based on input from the Council at the last meeting, Mr. Rae said they increased the proposed Impact Fees for water and wastewater. He presented the maximum Impact Fee allowable; the staff recommended fee; alternative fee 1; and alternative fee 2. He also compared these three amounts with Impact Fees for Anna, Melissa, Princeton, Celina, McKinney, and Prosper.

After the last Council Meeting, the staff recommended rates were increased by about 20% for the single-family equivalent, and the other numbers were updated based on that amount.

Mr. Rae said the Council was also asked to come up with some scenarios of different options and he presented those as well. The comparison listed the maximum allowable fee, the staff recommended fee, the fee that was originally recommended

by the staff, and another alternative that splits the difference between the new staff recommended and the maximum. In all but two cases, the staff recommended fee was lower than the comparable peer cities fee.

As an example of fees that could be collected, Mr. Rae said they took the staff recommended rate and applied it to what has been received from building permits so far in 2020, and from 2019.

If the fees had been applied in 2019, the maximum allowable rate would have collected $3.3 million, and the staff recommended rate would have collected $2.2 million. For year to date so far in 2020, the maximum allowable rate would have collected $1.7 million, and the staff recommended rate would have collected $1.1 million.

Mr. Rae also updated Council Members on the schedule of adoption of the Impact Fee Ordinance. The public hearing on the proposed ordinance will be presented for consideration at the September 21, 2020 Council Meeting.

Council Member Teamann recommended minimizing the fee as much as possible, especially on the local builders. He said they may not be building the large number of homes that some builders are building, and they won't receive the same type of incentives, but he wanted to encourage them to continue building in Sherman.

He said if it was impossible to build an incentive into the program, then he wanted to create the incentive prior to adoption of the ordinance, so they know what incentives they will have.

Council Member Teamann also wanted to review the retail development independently and create incentives and 380 Agreements for them, so they would also know what incentives they would have.

He added that with retail alone, sales tax dollars amount to about 50% of the City's General Fund income, and he felt it was important not to put roadblocks on those types of users. He asked that they come up with a creative 380 Agreement to totally offset the cost of retail Impact Fees.

Mayor Plyler said the retail development Impact Fee is already lower than the other types of development and is proposed at $50,000, based on 10,000 square feet, and user types and traffic loads.

Council Member Melton verified that a retail establishment would have the option each time of entering a 380 Agreement with the City. Council Member Teamann would like to have a "standard" 380 Agreement that is offered to all retailers.

Deputy Mayor Steele confirmed that Council Member Teamann wanted to offer every retailer coming to Sherman, a 380 Agreement. Mayor Plyler said in that case, get rid of the fee instead. Other Council Members did not want to eliminate the retail Impact Fee entirely.

Mr. Hefton said the staff is trying to gather what elements of the Impact Fee program the Council would like to enact or whether they want to add an incentive program. He said the staff would like to know what issues the Council has with the proposal and then they can respond to those.

So far, he said the Council has said the impact of Impact Fees might be more painful on local builders and on retail developers, and they might want to add incentive programs for those categories. He said the staff could develop incentives for those two categories.

As for industrial developers, Mr. Hefton said those incentive packages would probably be handled through an incentive package with SEDCO to rebate things back. He said the Council can't exempt certain classes entirely, but through development agreements and other mechanisms, they can address these issues.

Mayor Plyler said there is also a difference in retailers, such as Costco and a family restaurant. Mr. Hefton said, with Impact Fees, Costco would pay a higher fee than Pei Wei. The study accounts for traffic counts and other mechanisms. The study takes into account, a business' impact on infrastructure. By law, the City must be equitable in how the Impact Fees are applied.

Council Member Teamann asked for clarification, and said, every single-family residential unit in Service Area 1, would be charged the exact same fee. Then the retail unit at the $50,000 mark would be based on the end user types, traffic counts, and size. Mr. Hefton said that was correct.

Council Member Teamann said a very successful fast food chain, could potentially pay $200,000. Mr. Rae said there's a standard rate for a fast food restaurant, and any business can do their own traffic study. A restaurant that has a lot of traffic may want to accept the standard rate. Based on the previous staff recommendation, as applied to a new, drive-thru restaurant, it would have been about an $80,000 Impact Fee.

Deputy Mayor Steele said he understood there couldn't be a separate fee for a local builder, so how could that be handled. Mr. Hefton said the mechanism for incentivizing certain groups, such as infill development, is through a 380 Agreement, since the law does not allow a City to build in exceptions or exemptions. These agreements could pay part or all of the Impact Fees back to the builder, based on

whatever criteria the Council chooses. He suggested that if the Council wants to offer that incentive, they be set up through practice instead of through policy.

Council Member Stevenson asked that staff "flesh out some pretty robust infill mechanisms and other programs" for the Council to consider. He did not want to "convolute" the fees any more than they need to be. He felt the 380 Agreement was a better answer. He said Impact Fees are a long term tool.

Mr. Hefton clarified that what he has heard so far, to bring back for the Council's review, are programs that would address local builders, especially residential builders; a retail incentive program; and infill development.

Council Member Howeth said infill development is big in the southeast part of Sherman, which is her district. These are older homes, and infill development is on individual lots, usually where a home had been demolished. She verified that if there was previously a home on the lot and it is torn down, then building a new home on that lot would be exempt from Impact Fees. If the house is built on a vacant lot, the Impact Fee would apply.

She did not want to discourage local builders from building in that area because it revitalizes the southeast part of Sherman, and she said she would like that to continue. Council Member Howeth said she is not opposed to the Impact Fee, but she wanted to have some type of incentive for those builders of infill homes.

Council Member Howeth said she would support a minimum Impact Fee to start with, instead of the maximum fee. She added that after they see how the fee impacts builders, they can decide to increase it at that time. She didn't want to limit the builders.

Deputy Mayor Steele agreed that a lower Impact Fee would be better, and then it could be increased later, if needed. He did not feel that it would deter development.

Mr. Hefton clarified that the staff needs direction on an adoption date; a proposal as to how they can mitigate the impact to the three groups, local residential builders, a retail incentive program, and infill development; and a form for adoption. He asked if the Council still wanted to consider the proposed ordinance at the September 21, 2020 Council Meeting.

Council Member Melton wanted Impact Fees to become effective at the start of the next Fiscal Year. Council Member Stevenson wanted the fees to begin as soon as possible, but there are builders that have already started projects and their budgets are set, and he felt they needed some time, and wanted to give them 90 to 100 days before it became effective.

Mr. Hefton reminded Council Members that if the property has already been platted, there is a one year grace period. He asked if Council Members wanted to extend that period, and said he would need their direction on an effective date.

Council Member Teamann said there was no reason to rush into anything and wanted to get the ordinance right and get feedback from local builders. Council Member Stevenson felt the more advance notice they could give the builders, the better it would be. He also wanted to start with a moderate approach, which could be increased later.

Council Member Melton said Council Members were here to look out for the interests of all citizens of Sherman. The reason they are considering Impact Fees is to keep the tax rates down, to keep the water rates down, and to look out for all the citizens.

Mayor Plyler said the Council has discussed Impact Fees for a long time and asked where they were on the fee structure.

Mr. Hefton clarified that Council Members wanted the staff to come back with the Impact Fee Ordinance at the September 21, 2020 Council Meeting. The ordinance would have additional language about an effective date, which he verified should be January 1, 2021. It would also cover three fees, the water and wastewater fees, which wouldn't vary, and the roadway fee, which would be the same in all four Service Areas and based on the lowest amount allowed.

Clint Philpott, Assistant City Manager, said the biggest portion of the fee is the water, and that's because of the Water Treatment Plant. Some of the other cities' comparisons weren't as high as Sherman because they don't have their own water plant, they use North Texas Water District.

Deputy Mayor Steele said the staff presented three alternatives, based on direction from the Council at the last meeting. He recommended a decision at the next Council Meeting when they actually vote on the ordinance. Council Member Teamann asked what the "push" was.

Mr. Hefton said there was no deadline, and they could bring the ordinance back for multiple public hearings, however they would prefer to do it once. The study doesn't set the rates, it sets the maximum amount that would be allowed, and that's done.

He explained that on the wastewater and the water fees, it is impacting the utility rates. The theory is that these rates are already being paid through water rates, through sewer rates, or property tax rates. This would shift the burden of that to the people that are actually impacting the service. The water and sewer rates relate to the water and wastewater Impact Fees,

and the property tax rate relates to the roadway Impact Fees. Once they set the Impact Fee amount, it can be allocated between those three rates.

Council Member Teamann said unless they were going to lower property tax rates, water rates, or sewer rates for citizens, then they're not actually saving the citizens of Sherman anything.

Mr. Hefton verified that Impact Fees can be used for debt service. Every million dollars of debt is about $60,000 of debt service.

Council Member Teamann said there should be a direct offset to Impact Fees that would save the citizens money. Mr. Philpott said this income isn't guaranteed. The tax rate is guaranteed. Therefore a "direct offset" is hard to do. Mr. Hefton said saving citizens money would be borne out each year through the budget process.

Mr. Hefton said at the next Council Meeting he will bring back recommendations for policies or programs on the three incentive programs that were discussed, and an ordinance where Council Members can decide the rates they want to approve.

CONSIDER REQUEST OF TRUE OPTIONS PREGNANCY CENTER TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE FIFTH ANNUAL "TURKEY TROT 5K & FUN RUN" ON SATURDAY, NOVEMBER 21, 2020

CLOSE STREETS TURKEY TROT & FUN RUN (NOV. 21, 2020)

The City Council approved the request of True Options Pregnancy Center, to temporarily close certain streets for the Fifth Annual "Turkey Trot 5K & Fun Run" on November 21, 2020.

They are requesting to close Rusk Street in front of the Municipal Building from 7:00 am until 11:00 am. The run will require traffic control assistance, barricades, and cones from the City.
CONSENT AGENDA.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS
OPEN CONVERSATION

OPEN CONVERSATION

Council Member Stevenson said he was glad they were having such a frank and open conversation. He said it's not easy sometimes, and can be very complicated. He said the elected officials in Sherman really care about doing the right thing.

ANNOUNCEMENTS

ANNOUNCEMENTS

Mayor Plyler announced the following:

- **The Annual Patriots' Day Celebration will be held on September 11, 2020, at 8:00 am, at Simmons Bank.**

- **The dedication of the newest park addition at Pecan Grove West will be held on September 12, 2020, at 8:30 am A ribbon cutting will open the park for T-Ball.**

- **Sherman Arts Fest is scheduled for September 19, 2020, in Kidd-Key Park. Several changes will make the event fun and safe for all who attend. The event will feature a drone race.**

EXECUTIVE SESSION

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

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

SECTION 551.071 --	**CONSULTATION WITH CITY ATTORNEY CONCERNING PENDING OR CONTEMPLATED LITIGATION**
SECTION 551.071 --	**CONSULT WITH THE CITY ATTORNEY ON A MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THIS CHAPTER**
SECTION 551.074 --	**PERSONNEL MATTERS: DELIBERATE THE EVALUATION OF A PUBLIC OFFICER OR EMPLOYEE ANNUAL PERFORMANCE EVALUATION OF THE CITY MANAGER** **DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE**
SECTION 551.087 --	**DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS: DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE CITY HAS RECEIVED FROM A BUSINESS PROSPECT AND**

DELIBERATE ANY OFFERS OR INCENTIVES TO THE BUSINESS PROSPECT

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:43 p.m.

On Motion duly made and carried, the Executive Session recessed at 7:28 p.m. and reconvened in Open Meeting.

OPEN MEETING **OPEN MEETING**

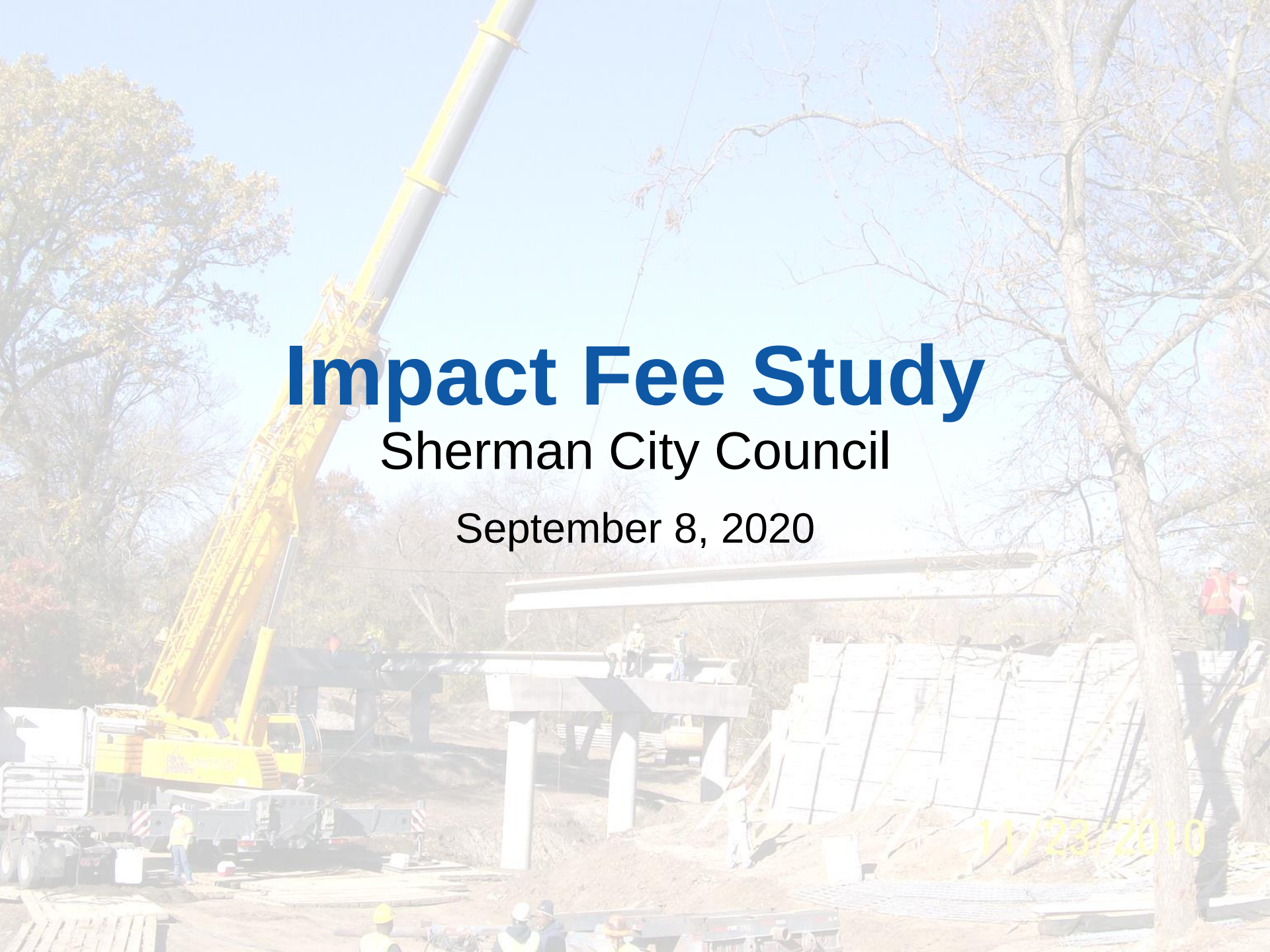
Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

ADJOURNMENT **ADJOURNMENT**

On Motion duly made and carried, the meeting adjourned at 7:28 p.m.

MAYOR

CITY CLERK



Impact Fee Study

Sherman City Council

September 8, 2020

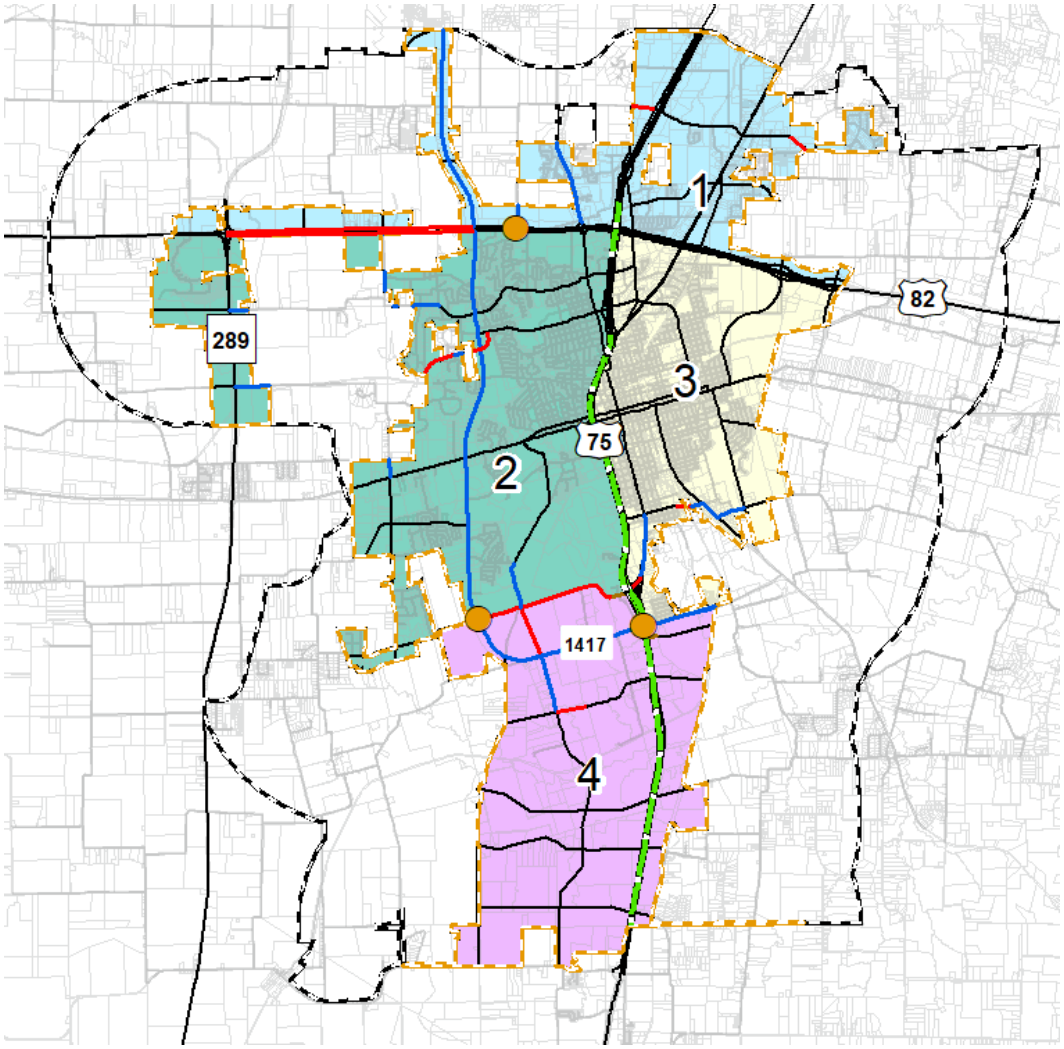
Overview

- Impact Fee Review
- CIAC Comments
- Draft Ordinance
  - Determine Effective Date
  - Collection Rates
- Collection Rate Scenarios

Sherman
CLASSIC TOWN. BROAD HORIZON.

Impact Fee Review

- Service Areas
- Land Use Assumptions
- Capital Improvement Plan
- Maximum Fee Calculation



CIAC Comments

- CIAC Meeting on July 21 and August 18
  - “Important for new growth pay for new growth”
  - “…also important we stay competitive and still keep attracting new growth”
  - Regarding single-family: “there ought to be a sliding scale or step function…based on square footage of the home”
  - “I like the conservative side a little more…to bring the growth to us rather than Denison.”
  - “…a more conservative approach starting out might be best.”

Draft Ordinance

- Authority - Chapter 395 Local Government Code
- Definitions
- Study Adopted
  - September 21, 2020?
- Service Areas

Sherman
CLASSIC TOWN. BROAD HORIZON.

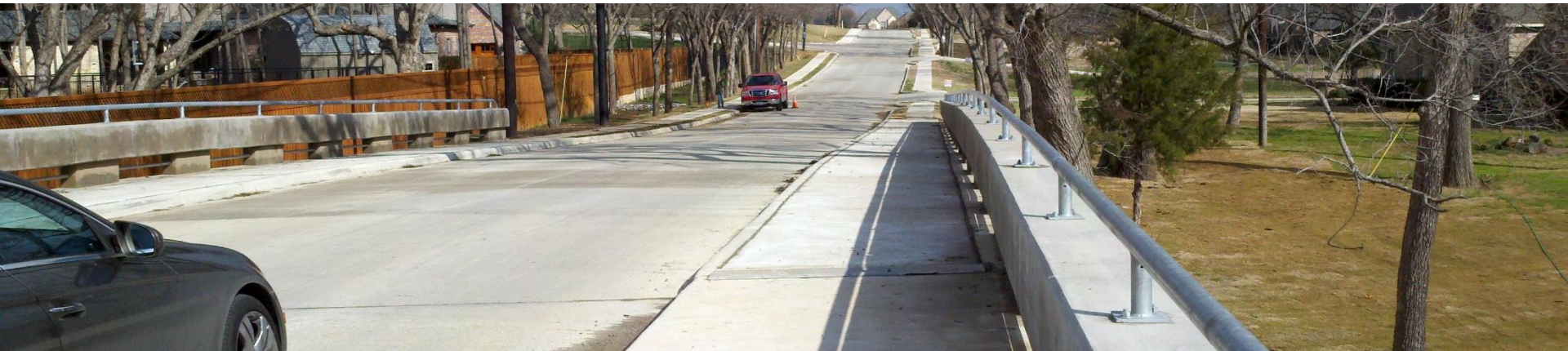
Draft Ordinance

- Assessment of Impact Fees
- Credits and Offsets Against Impact Fees
- Collection of Impact Fees
- Impact Fee Exemptions
  - Public Schools
  - Existing Buildings
  - Affordable Housing
- Administration of Impact Fees
- Refunds, Rebates, and Appeals

Draft Ordinance

- Impact Fee Adopted
  - Roadway

Service Area	*Maximum Fee Per Service Unit (per Vehicle-Mile)*	*Collection Rate Per Service Unit (per Vehicle-Mile)*
1	*$374*	*$374*
2	*$527*	*$505.05*
3	*$748*	*$505.05*
4	*$608*	*$505.05*



Draft Ordinance

- Impact Fee Adopted
  - Roadway – Max Fee/Collected Rate for Residential

LAND USE	DEVELOPMENT UNITS	NUMBER OF UNITS	SERVICE UNITS	SA 1 ($374/$374)	SA 2 ($527/$505)	SA 3 ($748/$505)	SA 4 ($608/$505)
Single-Family Detached Housing (ITE #210)	Dwelling Units	1	2.97	$1,111/$1,111	$1,565/$1,500	$2,222/$1,500	$1,806/$1,500
Multi-Family (Low-Rise) Housing (ITE #220)	Dwelling Units	1	1.68	$628/$628	$885/$848	$1,257/$848	$1,021/$848
Multi-Family (Mid-Rise) Housing (ITE #221)	Dwelling Units	1	1.32	$494/$494	$696/$667	$987/$667	$803/$667

- Affordable Housing Exemption
- (HOME, Housing Trust Fund, Low Income Housing Tax Credit, or Habitat For Humanity)

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Draft Ordinance

- Impact Fee Adopted

Water Impact Fee

Meter Size (Based on Water Meter)	Maximum Impact Fee	Collection Rate
3/4"	$4,478	$2,200.00
1"	$7,478	$3,673.87
1-1/2"	$14,912	$7,326.13
2"	$23,868	$11,726.13
3"	$104,472	$51,326.13
4"	$194,032	$95,326.13
6"	$417,932	$205,326.13
8"	$716,480	$352,000.00
10"	$1,044,852	$513,326.13
16"	$1,940,452	$953,326.13

Wastewater Impact Fee

Meter Size (Based on Water Meter)	Maximum Impact Fee	Collection Rate
3/4"	$657	$600
1"	$1,097	$1,002
1-1/2"	$2,188	$1,998
2"	$3,502	$3,198
3"	$15,328	$13,998
4"	$28,468	$25,998
6"	$61,318	$55,998
8"	$105,120	$96,000
10"	$153,298	$139,998
16"	$284,698	$259,998

Sherman
CLASSIC TOWN. BROAD HORIZON.

Collection Rate Scenarios

Determine the maximum assessable fee per service unit:

LAND USE	DEVELOPMENT UNITS	NUMBER OF UNITS	SERVICE UNITS	SA 1	SA 2	SA 3	SA 4	Water	WW	TOTAL
Single-Family Detached Housing (ITE #210)	Dwelling Units	1	2.97	$1,111	$1,565	$2,222	$1,806	$4,478 (3/4")	$657 (3/4")	**SA1: $6,246 SA2: $6,700 SA3: $7,357 SA4: $6,941**
Multi-Family (Mid-Rise) Housing (ITE #221)	Dwelling Units	148	1.32	$73,064	$103,008	$146,076	$118,779	$217,900 (4" Water + 2" Irrigation)	$28,468 (4")	**SA4: $365,147**
Office (ITE #710)	5,000 Square Feet	5	3.45	$6,452	$9,091	$12,903	$10,488	$7,478 (1")	$1,097 (1")	**SA4: $19,063**
Industrial (ITE #110)	50,000 Square Feet	50	3.16	$59,092	$83,266	$118,184	$96,094	$104,472 (3")	$15,328 (3")	**SA4: $215,894**
Retail Strip Center (ITE #820)	10,000 Square Feet	10	7.03	$26,292	$37,048	$52,584	$42,742	$23,868 (2")	$3,502 (2")	**SA4: $70,112**

Collection Rate Scenarios

Below is the staff recommended Impact Fee rate:

LAND USE	DEVELOPMENT UNITS	NUMBER OF UNITS	SERVICE UNITS	SA 1	SA 2	SA 3	SA 4	Water	WW	TOTAL (SA 4)
Single-Family Detached Housing (ITE #210)	Dwelling Units	1	2.97	$1,111	$1,500	$1,500	$1,500	$2,200	$600	**$4,300**
Multi-Family (Mid-Rise) Housing (ITE #221)	Dwelling Units	148	1.32	$73,065	$98,667	$98,667	$98,667	$107,076	$25,998	**$231,741**
Office (ITE #710)	5,000 Square Feet	5	3.45	$6,452	$8,712	$8,712	$8,712	$3,675	$1,002	**$13,389**
Industrial (ITE #110)	50,000 Square Feet	50	3.16	$59,092	$79,798	$79,798	$79,798	$51,338	$13,998	**$145,134**
Retail Strip Center (ITE #820)	10,000 Square Feet	10	7.03	$26,292	$35,505	$35,505	$35,505	$11,729	$3,198	**$50,432**

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Collection Rate Scenarios

LAND USE	Service Area	Max Impact Fee	Staff Recommended Fee	Alternative Fee 1	Alternative Fee 2
Roadway (Single-Family Equivalent)	1	$1,110.78	$1,110.78	$1,110.78	$1,110.78
	2	$1,565.19	$1,500	$1,500	$1,500
	3	$2,221.56	$1,500	$1,500	$1,500
	4	$1,775.36	$1,500	$1,500	$1,500
Water (Single-Family Equivalent)		$4,478	$2,200	$1,500	$3,500
Wastewater (Single-Family Equivalent)		$657	$600	$600	$600
Total (SA4)		**$6,910.36**	**$4,300**	**$3,600**	**$5,600**

Sherman
CLASSIC TOWN. BROAD HORIZON.

Collection Rate Comparisons

Actual rates collected for:

LAND USE	MAX SHERMAN (SA 4)	ALT SHERMAN	ANNA	MELISSA	PRINCETON	CELINA	MCKINNEY	PROSPER
Single-Family Detached Housing (ITE #210)	$6,941	Staff: $4,300 Alt 1: $3,600 Alt 2: $5,600	$11,115	$5,266	$6,231	$6,758	$5,257	$7,246
Multi-Family (Mid-Rise) Housing (ITE #221)	$365,147	Staff: $231,700 Alt 1: $197,700 Alt 2: $295,000	$382,792	$360,298	$497,767	$282,770	701,579	$697,934
Office (ITE #710)	$19,063	Staff: $13,400 Alt 1: $12,200 Alt 2: $15,600	$33,419	$23,210	$26,319	$19,936	$18,452	$26,098
Industrial (ITE #110)	$215,894	Staff: $145,100 Alt 1: $128,800 Alt 2: $175,500	$259,929	$185,752	$231,797	$145,368	$72,829	$292,083
Retail Strip Center (ITE #820)	$70,112	Staff: $50,400 Alt 1: $46,700 Alt 2: $57,400	$120,458	$75,832	$79,774	$43,927	$49,702	$58,876

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2019/2020 Potential Fees

2019	Max	Staff Rec.* ($4,300)	Alt Fee 1 ($3,600)	Alt Fee 2 ($5,600)
Roadway IF	$1,664,500	$1,334,400	$1,334,400	$1,334,400
Water IF	$1,507,400	$740,600	$504,900	$1,178,200
Wastewater IF	$211,100	$192,800	$192,800	$192,800
Total Impact Fee	**$3,383,000**	**$2,267,800**	**$2,032,100**	**$2,705,400**

2020**	Max	Staff Rec.* ($4,300)	Alt Fee 1 ($3,600)	Alt Fee 2 ($5,600)
Roadway IF	$595,700	$526,700	$526,700	$526,700
Water IF	$1,013,500	$497,900	$339,500	$792,200
Wastewater IF	$145,400	$145,300	$145,300	$145,300
Total Impact Fee	**$1,754,600**	**$1,169,900**	**$1,011,500**	**$1,464,200**

*Staff Recommendation based on Single-Family Rate of $1,500 for Roadway, $2,200 for Water, and $600 for Wastewater

**Through August 31st, 2020

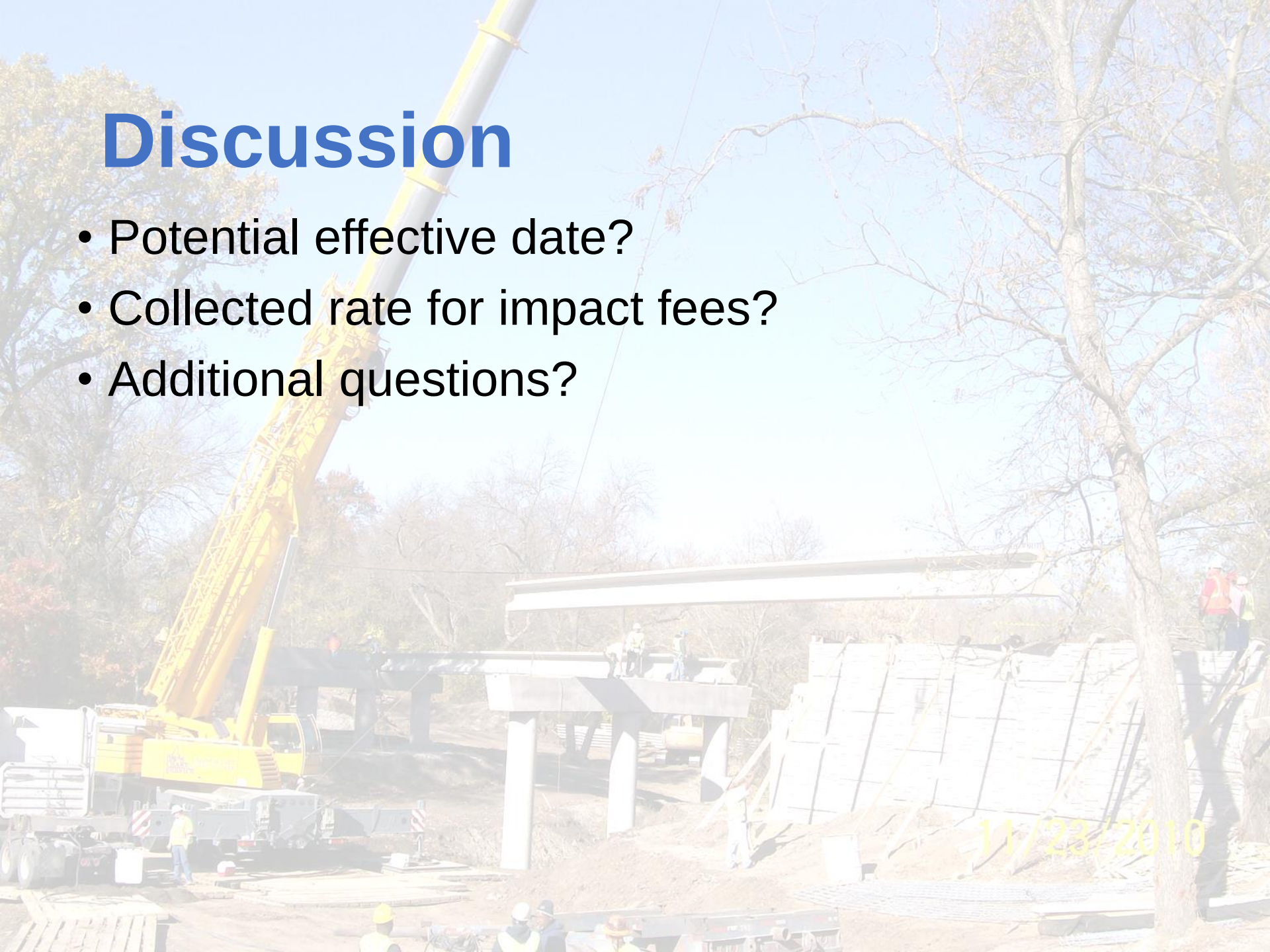
Sherman
CLASSIC TOWN. BROAD HORIZON.

Schedule

- ✓ June 9: CIAC Kick-off LUA and Service Area
- ✓ June 25: City Council Budget Meeting Update
- ✓ July 21: CIAC LUA and CIP
- ✓ August 17: Council LUA and CIP Public Hearing
- ✓ August 18: CIAC Impact Fee Study Meeting
- September 8: Council Draft Ordinance Update
- September 21: Council Public Hearing

Discussion

- Potential effective date?
- Collected rate for impact fees?
- Additional questions?



SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **C. 1.**

Meeting Date: 09/21/2020

Prepared By: Rob Rae, Director of Development Services

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6326

Amending the Code of Ordinances to add a New Chapter 15 to be entitled "Impact Fees"; Establishing Water, Wastewater, and Roadway Impact Fees per Service Unit; Establishing Procedures for the Assessment, Collection, Computation, Expenditure, Refund and General Administration of Impact Fees; Providing for the Establishment of Accounts for Impact Fees; Establishing an Appeal Procedure

Issue:

Introduce and hold the public hearing on an ordinance to implement Impact Fees

Background:

At the February 12, 2020 meeting, the City Council approved Resolution No. 6592 and a Professional Services Agreement with Kimley-Horn and Associates, Inc. for Impact Fee Studies, as authorized by Chapter 395 of the Texas Local Government Code. The Capital Improvements Advisory Committee (CIAC, created by the Council, consists of the entire Planning & Zoning Commission and David Baca as a representative from the extra territorial jurisdiction (ETJ). The CIAC is charged with reviewing land use assumptions and the capital improvements program as they relate to the 2020 Impact Fee Study.

At the September 8th meeting, the City Council received a presentation from Development Services Director Rob Rae, AICP on the draft impact fee ordinance and the recommended collection rate for water, wastewater and roadway impact fees. Additional collection scenarios were also presented to Council. The Council directed staff to revise the ordinance with a new effective date and options to reduce the fees for residential infill development, religious and non-profit development, and retail development.

The full schedule is shown below:

- June 9: CIAC Kick-off LUA and Service Area
- July 6: Set Council Public Hearing Date
- July 21: CIAC LUA and CIP (coordinated with P&Z Meeting)
- August 10: CIAC Comments Public Hearing LUA and CIP (8-17)
- August 17: Council Public Hearing - LUA and CIP
- August 17: Set Council Public Hearing Date
- August 18: CIAC Impact Fee (coordinated with P&Z Meeting)
- September 8: Council (Other Business) Impact Fee Discussion and Draft Ordinance

- September 14: CIAC Comments Public Hearing LUA and CIP (9-21)
- **September 21: Council Public Hearing and Ordinance Adoption**
- **January 15, 2021: Effective Date of Impact Fee Ordinance**

Origination:

Assistant City Manager Clint Philpott, P.E.
Director of Development Services Rob Rae, AICP

Financial Consideration:

The Mayor's proposed Ordinance reflects a Single-Family Residential Equivalent (SFRE) rate of $2,500, consisting of a Roadway Impact fee of $1,000, a Water Impact Fee of $1,000, and a Wastewater Impact Fee of $500. The maximum rate allowable per SFRE is $7,000. Non-single-family impact fees will be calculated based on methodology provided for within the Ordinance. Additionally, the Mayor's proposal includes reduction of fees for the following categories: Service Area #3 (In-fill housing), recreational uses, religious and non-profit entities, dining, other retail, and other commercial uses that generate sales tax revenues.

Including the effects of the proposed reductions, if the impact fees were in effect during 2019 and 2020, the fees would have generated about $1.2 million, and $600,000, respectively.

Staff Recommendation:

It is the staff's recommendation that the Council hold the public hearing and consider adoption of the Impact Fee Ordinance.

Alternatives:

No alternatives are recommended.

Attachments

Ordinance No. 6326

ORDINANCE NO. 6326

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE CODE OF ORDINANCES TO ADD A NEW CHAPTER 15 TO BE ENTITLED "IMPACT FEES"; ESTABLISHING WATER, WASTEWATER, AND ROADWAY IMPACT FEES PER SERVICE UNIT; ESTABLISHING PROCEDURES FOR THE ASSESSMENT, COLLECTION, COMPUTATION, EXPENDITURE, REFUND AND GENERAL ADMINISTRATION OF IMPACT FEES; PROVIDING FOR THE ESTABLISHMENT OF ACCOUNTS FOR IMPACT FEES; ESTABLISHING AN APPEAL PROCEDURE; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING 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.

WHEREAS, Chapter 395, Texas Local Government Code (the Statute) provides the requirements and procedures for the adoption of Land Use Assumptions, a Capital Improvements plan, and Impact Fees; and

WHEREAS, after notice of a public hearing was given as required by the Statute, the City Council held a public hearing on August 17, 2020, and by a 6-0 vote approved the Land Use Assumptions and Capital Improvements plan; and

WHEREAS, the Capital Improvement Advisory Committee of the City of Sherman (CIAC), created pursuant to Texas Local Government Code Chapter 395, filed its written comments on the proposed Impact Fees before the fifth business day before the date of the public hearing on the imposition of the Impact Fees; and

WHEREAS, after notice of a public hearing was given as required by the Statute, the City Council held a public hearing on September 21, 2020, to discuss the imposition of the Impact Fees by this ordinance; and

WHEREAS, the City Council finds that the City has fully complied with the Statute in adopting and imposing the Impact Fees in this ordinance; and

WHEREAS, the City Council finds it to be in the best interest of the citizens of the City of Sherman to adopt and approve the Impact Fees and related administrative processes described herein;

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

SECTION 1. That the recitals stated above are hereby adopted and approved and incorporated into the body of this Ordinance as if fully set forth herein, and the Impact Fees set forth in this ordinance are hereby approved.

SECTION 2. That the Sherman City Code shall be amended by adding Chapter 15, to be entitled "Impact Fees", which Chapter shall read as follows:

Sec. 15.01.001. Short Title

This Chapter may be known and may be cited as "Impact Fees".

Sec. 15.01.002. Purpose

This Chapter is intended to assure the provision of adequate public facilities to serve New Development in the City by requiring each such development to pay its share of the costs of such improvements necessitated by and attributable to such New Development.

Sec. 15.01.003. Authority

This Chapter is adopted pursuant to Texas Local Government Code Chapter 395 and the Sherman City Charter. Chapter 395 supplements this Chapter to the extent that its provisions may be applicable hereto and, to such extent, its provisions are incorporated herein by reference. The provisions of the Chapter shall not be construed to limit the power of the City to utilize other methods under State law or pursuant to other City powers to accomplish the purposes set forth herein, either in substitution or in conjunction with this Chapter. Guidelines may be developed by ordinance, resolution or otherwise to implement and administer this Chapter.

Sec. 15.01.004. Definitions

Terms defined herein are specific to this Chapter and shall not be construed as conflicting with similar terms in other parts of the Code.

a. *Assessment means the determination of the amount of the Maximum Impact Fee per Service Unit which can be imposed on New Development pursuant to this article.*

b. *Capital Improvement means any water supply, treatment, and distribution; wastewater collection and treatment; and roadway that have a life expectancy of three or more years and are owned and operated by or on behalf of the City including the City's share of costs for infrastructure and associated improvements designated on a City's master plan but constructed by another entity.*

c. *Capital Improvement Plan means a plan approved by the City Council that identifies Capital Improvements or Facility Expansions for which Impact Fees may be assessed. This is different from the Council approved 5-year CIP plan.*

d. *City means the City of Sherman, Texas.*

e. *City Council means the City Council of the City of Sherman, Texas.*

f. *City Manager means the City Manager of the City of Sherman, Texas, or his or her designee.*

g. *Credit means an amount equal to 50 percent of the total projected cost of implementing the Capital Improvements plans. This 50 percent Credit reduction is an alternative to determining an amount equal to the portion of ad valorem tax revenues and utility revenues generated by new Service Units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the Capital Improvements plan. (Credit is not to be confused with Offset which is defined below.)*

h. *Development unit(s) is the expression of the size of each land use planned within a particular development and used for the calculation of Roadway Impact Fees to compute the number of Service Units consumed by each individual land use application.*

i. *Effective date means January 15, 2021.*

j. *Facility Expansion means the expansion of the capacity of an existing facility that serves the same function as an otherwise necessary new Capital Improvement, in order that the existing facility may serve New Development. The term does not include the repair, maintenance, modernization, or expansion of an existing facility to better serve existing development.*

k. *Final plat approval means the point at which the plat has been signed and released for filing with the County. This term applies to both original plats and replats.*

l. *Impact Fee means a charge or Assessment imposed as set forth in this Chapter against New Development in order to generate revenue for funding or recouping the costs of Capital Improvements or Facility Expansions necessitated by and attributable to the New Development.*

The term includes amortized charges, lump-sum charges, capital recovery fees, contributions in aid of construction and any other fee that functions as described by this article. The term is inclusive of both the maximum assessable Impact Fee and the Impact Fee collection rate as herein described.

This term does not include dedication of rights-of-way or easements or construction or dedication of on-site or off-site water distribution, wastewater collection or drainage facilities, or streets, sidewalks, or curbs if the dedication or construction is required by a valid ordinance and is necessitated by and attributable to the New Development.

m. *Land Use Assumptions means a description of the Service Area and projections of changes in land uses, densities, intensities, and population in the Service Area over at least a 10-year period and approved by the City Council, as may be amended from time to time.*

n. *Land Use Vehicle-Mile Equivalency Table or LUVMET are tables set forth in the Impact Fee Study that provide the standardized measure of consumption or use of Roadway Facilities attributable to a New Development. The LUVMET expresses the number of Service Units consumed by each individual land use application as vehicle miles per development unit.*

o. *Maximum Assessable Impact Fee means the Impact Fee that is established for each service area computed by calculating the total projected costs of Capital Improvements necessitated by and attributable to New Development and subtracting a Credit to be generated by new Service Units, including the payment of debt, associated with the Impact Fee Capital Improvement Plans, and then dividing that amount by the total number of Service Units anticipated within the service area based upon the Land Use Assumptions. The Maximum Impact Fee shall be established and reflected in **15.01.007**, attached hereto and incorporated herein. The City may adopt an Impact Fee collection rate that is less than this amount, but in no instance shall the Impact Fee exceed the Maximum Assessable Impact Fee except by amendment of this article.*

p. *New Development means a project involving the subdivision of land and/or the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure, or any use or extension of the use of land which has the effect of increasing the requirements for Capital Improvements, measured by an increase in the number of Service Units to be generated by such activity, and which requires either the approval and filing with the county of a plat pursuant to the City's subdivision ordinance or the issuance of a building permit.*

q. *Owner means an Owner of real property, or an agent, employee, applicant or representative thereof who is authorized to act on the real property Owner's behalf, or a person who is subject to and/or has paid an Impact Fee.*

r. *Offset or Offsets means the amount of the reduction of an Impact Fee reflecting the value of any construction of, contributions to, or dedications of a system facility agreed to or required by the City as a condition of development approval, pursuant to rules herein established or pursuant to administrative guidelines which value shall be credited on an actual cost basis against Capital Improvements. Impact Fees otherwise due from the development. (Offset is not to be confused with "Credit", which is defined above).*

s. *Recoupment means the imposition of an Impact Fee that shall be paid to the City for Capacity Improvements which the City has previously oversized to serve New Development.*

t. *Roadway Facilities means a roadway that has been designated on an officially adopted roadway plan of the City, together with all necessary appurtenances (excluding rights-of-way). The term includes the City's share of costs for roadways and associated improvements designated on the federal or Texas highway system, including local matching funds and costs related to utility line relocation and the establishment of curbs, gutters, sidewalks, drainage appurtenances, and rights-of-way.*

u. *Service Area means the area within the corporate boundaries of the City. For water and Wastewater Impact Fees, one Service Area covers the entire corporate limits. For Roadway Impact Fees, it means the geographic area(s) within the City's corporate limits, which do not exceed six miles and within which geographic area(s) Roadway Impact Fees for Capital Improvements will be collected for New Development occurring within such area, and within which fees so collected will be expended for those Capital Improvements identified in the roadway improvements plan to be located within each roadway Service Area. The map is contained within the Impact Fee Study.*

v. *Service Unit means a standardized measure of consumption, use, generation, or discharge attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards and based on historical data and trends applicable to the City during the previous 10 years. For water and wastewater, this is meter size and, for roadway, this means one vehicle mile of travel in the afternoon peak hour of traffic and is also referred to as a "vehicle mile".*

w. *Site-Related Facility means an improvement or facility which is for the primary use or benefit of a New Development or which is for the primary purpose of safe and adequate provision of roadway, water, or wastewater facilities to serve the New Development, and which is not included in the Capital Improvements Plan and for which the Owner is solely responsible under subdivision or other applicable regulations or which is located at least partially on the plat which is being considered for Impact Fee Assessment.*

x. *System-Related Facility means a Capital Improvement or Facility Expansion which is designated in the Capital Improvements Plan and which is not a Site-Related Facility. This term may include a Capital Improvement which is located off-site or within or on the perimeter of the development site.*

y. *Wastewater Facility means a wastewater interceptor or main, lift station or other facility or improvement used for providing wastewater collection and treatment included within the City's collection system for wastewater as illustrated on the master plan. This term includes land, easements or structures associated with such facilities. This term excludes a Site-Related Facility.*

z. *Water Facility means a water interceptor or main, pump station, storage tank or other facility or improvement used for providing water supply, treatment and distribution service included within the City's water storage or distribution system as illustrated on the master plan. This term includes, but is not limited to, land, easements or structures associated with such facilities. This term excludes site-related facilities.*

Sec. 15.01.005. Study Adopted

The Impact Fee Study dated September 21, 2020 is hereby approved and adopted for all purposes consistent with this Chapter. Copy of the Impact Fee Study can be acquired through the City Clerk's office.

Sec. 15.01.006. Service Areas

For Water and Wastewater Impact Fees, the City is included as one Service Area. For Roadway Impact Fees, the City is hereby divided into four Service Areas as shown on the official Service Area map. The official Service Area maps which, together with all explanatory matter thereon, is hereby adopted by reference and declared to be a part of this Chapter. The official Service Area maps shall be identified in the study adopted.

Sec. 15.01.007. Impact Fees Adopted

(A) A Water Impact Fee shall be assessed and charged against New Development in the Service Area as set forth below.

Meter Size (Based on Water Meter)	***Maximum Impact Fee***	***Collection Rate***
3/4"	*$4,478*	*$1,000.00*
1"	*$7,478*	*$1,669.94*
1-1/2"	*$14,912*	*$3,330.06*
2"	*$23,868*	*$5,330.06*
3"	*$104,472*	*$23,330.06*
4"	*$194,032*	*$43,330.06*
6"	*$417,932*	*$93,330.06*
8"	*$716,480*	*$160,000.00*
10"	*$1,044,852*	*$233,330.06*
16"	*$1,940,452*	*$433,330.06*

(B) A Wastewater Impact Fee shall be assessed and charged against New Development in the Service Area as set forth below.

Meter Size (Based on Water Meter)	***Maximum Impact Fee***	***Collection Rate***
3/4"	*$657*	*$500.00*
1"	*$1,097*	*$834.86*
1-1/2"	*$2,188*	*$1,665.14*
2"	*$3,502*	*$2,665.14*
3"	*$15,328*	*$11,665.14*
4"	*$28,468*	*$21,665.14*
6"	*$61,318*	*$46,665.14*
8"	*$105,120*	*$80,000.00*
10"	*$153,298*	*$116,665.14*
16"	*$284,698*	*$216,665.14*

(C) A Roadway Impact Fee shall be assessed and charged against New Development in the Service Area as set forth below.

Service Area	***Maximum Fee Per Service Unit (per Vehicle-Mile)***	***Collection Rate Per Service Unit (per Vehicle-Mile)***
1	*$374*	*$336.70*
2	*$527*	*$336.70*
3	*$748*	*$336.70*
4	*$608*	*$336.70*

(D) The collection rates per section unit will be reduced their total impact fees due based on the following conditions:

- *Residential uses identified in the Impact Fee Study's LUVMET in Service Area 3 impact fees will be reduced by 75%.*
- *Recreational uses identified in the Impact Fee Study's LUVMET will be reduced by 75%.*
- *Religious Institutes will be reduced by 75%.*
- *Non-Profits will be reduced by 75%. The non-profit must be 501(c)(3) and the owner of the building.*
- *Dining uses identified in the Impact Fee Study's LUVMET will be reduced by 75%.*
- *Other Retail uses identified in the Impact Fee Study's LUVMET will be reduced by 75%.*
- *Commercial uses that generate sales tax will be reduced by 75%. This includes automobile parts sales, tire stores, quick lubrication vehicle shops, automobile care centers, and convenience stores.*

Sec. 15.01.008. Impact Fees Required

No final plat for New Development shall be released for recordation and no building permit shall be issued without the Assessment of applicable Impact Fees pursuant to this Chapter. Except as otherwise provided in this Chapter, no building permit shall be issued until the Owner has paid the City of Sherman all applicable Impact Fees due.

Sec. 15.01.009. Assessment of Impact Fees

a. *Assessment of the Impact Fees for any New Development shall be based on the applicable Impact Fees per Service Unit in the applicable Service Area in effect at the time of Assessment. No act by the City is required to assess Impact Fees.*

b. *For a New Development which has received final plat approval before the Effective date, Assessment of Impact Fees shall occur on the Effective date and shall be the amount of the Maximum Impact Fee.*

c. *For land which is not required to be platted at time of the application for a building permit or water meter, Assessment of Impact Fees shall occur at the time of application for building permit or water meter and shall be the amount of the Maximum Assessable Impact Fee per Service Unit then in effect.*

d. *For a New Development which has received final plat approval on or after the Effective date, Assessment of Impact Fees shall occur at the time of recordation of the final plat.*

e. *After Assessment of the Impact Fees attributable to a New Development or execution of an agreement for payment of Impact Fees, additional Impact Fees or increases in fees may not be assessed against the tract unless the number of Service Units to be developed on the tract increases. In the event of the increase in the number of Service Units, the Impact Fees to be imposed are limited to the amount attributable to the additional Service Units.*

f. *The City Manager shall compute the Impact Fees for New Development. The total amount of Impact Fees for the New Development shall be attached to the development application as a condition of approval.*

Sec. 15.01.010. Credits and Offsets Against Impact Fees

The City may Offset the improvements or funding for construction of any system facility included on the identified Impact Fee Capital Improvements Plan that is required or agreed to by the City, pursuant to rules established in this section and administrative guidelines.

a. *<u>General Credit</u>. The City shall apply against assessed Impact Fees a Credit equal to 50 percent of the total projected cost of implementing the Impact Fee Capital Improvements Plan. <u>This Credit is already reflected in the Maximum Assessable Impact Fee</u>.*

b. *Offsets by developer. Before Impact Fees can be reduced by Offsets authorized under this section, the Owner of the property shall apply for Offsets based on actual costs with the City. Unless the agreement specifies otherwise, an Offset associated with a plat shall be applied when the first building permit is submitted and to each subsequent building permit application to reduce the Impact Fees due until the amount associated with Offset is exhausted.*

c. *Roadway Offsets. Any construction of, contributions to, or dedications of Roadway Facilities that are system-related facilities included on the identified capacity plans and that are agreed to or required by the City as a condition of development approval shall be Offset against assessed Roadway Impact Fees. To the extent that a Credit under this subsection exceeds the Roadway Impact Fees for Service Units attributable to an Owner's New Development, the Offset shall be applied against the Roadway Impact Fees for Service Units attributable to each New Development of the Owner that is located on a tract of land that was contained in the same preliminary plat of the New Development for which the Offset was granted unless there is a specific agreement as identified in* ***15.01.009f****.*

d. *Water Offsets. Any construction of, contributions to, or dedications of water facilities that are system-related facilities included on the identified Impact Fee Capital Improvements Plan and that are agreed to or required by the City as a condition of development approval shall be Offset against assessed Water Impact Fees. To the extent that a Credit under this subsection exceeds the Water Impact Fees for Service Units attributable to an Owner's New Development, the Offset shall be applied against the Water Impact Fees for Service Units attributable to each other New Development of the Owner that is located on a tract of land that was contained in the same preliminary plat of the New Development for which the Credit was granted.*

e. *Wastewater Offsets. Any construction of, contributions to, or dedications of wastewater facilities that are system-related facilities included on the identified Impact Fee Capital Improvements Plan and that are agreed to or required by the City as a condition of development approval shall be Offset against assessed Wastewater Impact Fees. To the extent that a Credit under this subsection exceeds the Wastewater Impact Fees for Service Units attributable to an Owner's New Development, the Offset shall be applied against the Wastewater Impact Fees for Service Units attributable to each other New Development of the Owner that is located on a tract of land that was contained in the same preliminary plat of the New Development for which the Credit was granted.*

f. *No Offsets for rights-of-way or easements. Rights-of-way and easements are not included in the study, and no Offsets shall be granted for the dedication of rights-of-way or easements. Rights-of-way and easements are dedicated as required by the ordinances of the City, necessitated by and attributable to a New Development, and do not exceed the amount required for infrastructure improvements that are roughly proportionate to the New Development*

Sec. 15.01.011. Collection of Impact Fees

a. Impact Fees shall be collected and paid at the time of issuance of a building permit or water meter for a New Development.

b. For a New Development that received Final plat approval before the effective date, Impact Fees may not be collected on any Service Unit for which a valid building permit is issued within one year after the effective date; provided, however, that such a Service Unit shall be subject to the collection of Impact Fees upon the submission of a subsequent application for a building permit if the subsequent application is not submitted and approved within one year after the effective date. For land that does not have to be platted, Impact Fees may not be collected on any Service Unit for which a valid building permit is issued within one year after the effective date.

c. The City shall compute the Roadway Impact Fees to be paid and collected for the New Development in the following manner:

1. Determine the number of Development units for each land use category in the New Development using the land use equivalency table (LUVMET) then in effect.

2. Multiply the number of Development units for each land use category in the New Development by the vehicle miles (per Development unit) for each such land use category also found in land use equivalency table (LUVMET) then in effect to determine the number of Service Units attributable to the New Development.

3. The amount of Roadway Impact Fees to be collected shall be determined by multiplying the number of Service Units for the New Development by the Roadway Impact Fee per Service Unit for the applicable Service Area and applicable land use and shall be calculated at the time of application for and in conjunction with the issuance of a building permit.

*4. If an agreement as described in **15.01.009** providing for Offsets exists, the amount of the Offsets based on actual costs shall be deducted from the Roadway Impact Fees as calculated above.*

d. Where an application for a building permit is for a "shell" or speculative building, the amount of the Roadway Impact Fee shall be calculated assuming that the entire building will be used as either "General Office", "Light Industrial", or "Shopping Center" as shown in the land use equivalency table (LUVMET). Where a subsequent application for a building permit is made for the finish-out of the shell building, or portion thereof, for the ultimate use, an additional Roadway Impact Fee shall be charged and paid if the ultimate use is different from "General Office", "Light Industrial", or "Shopping Center".

e. An applicant may submit an alternative Service Unit computation based upon a trip generation study as defined by the Institute of Transportation Engineers for the proposed land use not included in the land use equivalency table (LUVMET).

f. The City shall compute the Water and Wastewater Impact Fees by water meter size.

g. Master planned projects, including subdivisions containing multiple phases, and whether approved before or after the effective date of the impact fee regulations, may apply for Offsets against impact fees for the entire project based upon improvements or funds toward construction of system facilities, or other Capital Improvements supplying excess capacity. Offsets shall be spent within the same Service Area utilizing a methodology approved by the City and be approved via developer agreement.

Sec. 15.01.012. Impact Fee Exemptions

a. Pursuant to Texas Local Government Code Chapter 395, a public school district is not required to pay an Impact Fee imposed under this Chapter unless the board of trustees of the district consents to the payment of the fees by entering a contract with the City imposing the fees.

b. For Roadway Impact Fees, existing occupied buildings ~~who~~ which are not being demolished and the total square footage is modified by less than 1,000 additional square feet will not be charged a Roadway Impact Fee for the original square footage and expansion of up to 1,000 square feet.

c. Affordable housing, Development that qualifies as affordable housing under 42 U.S.C. § 12745, as amended, and is participating in an affordable housing development program such as HOME, Housing Trust Fund, Low Income Housing Tax Credit, or Habitat for Humanity, is exempt from roadway impact fee collection. An applicant for affordable housing exemption shall make application for same by letter to the planning director. The letter shall describe the development, its location and number of housing units, and shall include written verification from the responsible agency that the subject property is an active participant in an affordable housing development program as described above. If the fee is not paid and the affordable housing is not built or the development subsequently is not qualified as affordable housing, the City shall assess and collect the roadway impact fee that was applicable at the time of the issuance of the building permit(s) for the development.

Sec. 15.01.013. Administration of Impact Fees

a. The Impact Fees collected within each Service Area may be used to finance, pay for or to recoup the costs of any Capital Improvements identified in the Impact Fee Capital Improvements Plan for the Service Area, including the construction contract price, surveying and engineering fees.

b. Impact Fees may be used to pay for the contract services of an independent qualified engineer or financial consultant preparing or updating the Impact Fee Capital Improvements Plan who is not an employee of the political subdivision.

c. Impact Fees also may be used to pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the City to finance such Capital Improvements in the Impact Fee Capital Improvements Plan.

d. The City's Finance Department shall establish an account to which interest is allocated for each Service Area which interest earned on the Impact Fees shall be considered funds of the account and shall be used solely for the purposes authorized in this Chapter.

e. The City's Finance Department shall maintain and keep financial records for Impact Fees which shows the source and disbursement of all fees collected in or expended from each Service Area to be provided in the semiannual report to the Capital Improvements Advisory Committee.

f. The City will present the financial records for Impact Fees to the Capital Improvements Advisory Committee twice a year and shall be open for public inspection.

Sec. 15.01.014. Impact Fees as Additional and Supplemental Regulation

Impact Fees established by this Chapter are additional and supplemental to, and not in substitution of, any other requirements imposed by the City on the development of land or the issuance of building permits or certificates of occupancy. Such Impact Fees are intended to be consistent with and to further the policies of the Subdivision Regulations, and other City policies, ordinances and resolutions by which the City seeks to ensure the provision of adequate public facilities in conjunction with the development of land. This Chapter shall not affect, in any manner, the permissible use of property, density of development, design, and improvement standards and requirements, or any other aspect of the development of land or provision of public improvements subject to the zoning and subdivision regulations or other regulations and policies of the City, which shall be operative and remain in full force and effect without limitation with respect to all such development.

Sec. 15.01.015. Update to Plans and Revision of Fees

The City shall update its Land Use Assumptions and Impact Fee Capital Improvements Plan based in accordance with Texas Local Government Code Chapter 395.

*The collection rates in **15.01.007** may be amended without revising the Land Use Assumptions and Impact Fee Capital Improvements Plan at any time provided via ordinance amendments and that the collection rates do not exceed the Maximum Assessable Impact Fees.*

Sec. 15.01.016. Refunds, Rebates, and Appeals

a. <u>Refunds</u>. Upon payment of an Impact Fee, any portion that is not expended in the Service Area within ten (10) years from the date of payment shall be refunded to the record Owner of the property at the time the refund is paid (LGC 395.025). Impact Fees shall be accounted for and expended on a first-in, first-out basis.

b. *Rebates. If the building permit for a New Development for which no vertical construction has occurred, an Impact Fee has been paid has expired, and a modified or new application has not been filed within six (6) months of such expiration, the City shall, upon written request, rebate the amount of the Impact Fee to the record Owner of the property for which the Impact Fee was paid. If no request for rebate pursuant to this subsection has been filed within this period, no rebate shall become due.*

c. *Appeals. The Owner for New Development may appeal the applicability or amount of the Impact Fee or the availability of Offsets or Refunds to the City Manager or his/her designee using the following:*

1. *Burden of proof. The burden of proof shall be on the Owner to demonstrate that the Owner is entitled to relief.*

2. *Notice of appeal. Within 30 days following the decision being appealed, the Owner shall submit to the City Manager a written notice of appeal that states the basis for the appeal with particularity. To the extent the Owner relies on any studies or other documents as evidence that the Owner is entitled to relief, the Owner shall submit such studies and documents with the notice of appeal.*

3. *Resolution of appeal. The City Manager or his/her designee will respond to the appeal within 30 days of receipt of completed appeal packet as described above.*

4. *Consideration of Appeal by City Council. After the determination of the City Manager, the Owner may petition the City Council. The appeal should be filed within 30 days of the City Manager or his/her designee's decision. To the extent that the City Council's action on the appeal requires the Owner to pay an impact fee, the Owner shall promptly pay the impact fee within five business days after the City Council's action on the appeal. The City Council's action on the appeal shall constitute the City's final decision on the matter appealed.*

5. *Costs. An Owner shall bear all costs of the Owner's appeal under this Chapter.*

SECTION 3. 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 4. That, if any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Sherman hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 5. That the provisions of any ordinance which are inconsistent with or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION 6. That the City Clerk is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

SECTION 7. 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 _____ day of _____, 2020.

ADOPTED on this the _____ day of _____, 2020.

EFFECTIVE DATE on this the _____ day of _____, 2020.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **C. 2.**

Meeting Date: 09/21/2020

Prepared By: Pamela Cloer, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number: 6326

Issue:

C. 1. **INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6326**
Amending the Code of Ordinances to add a New Chapter 15 to be entitled "Impact Fees"; Establishing Water, Wastewater, and Roadway Impact Fees per Service Unit; Establishing Procedures for the Assessment, Collection, Computation, Expenditure, Refund and General Administration of Impact Fees; Providing for the Establishment of Accounts for Impact Fees; Establishing an Appeal Procedure

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SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **C. 3.**

Meeting Date: 09/21/2020

Approved By: Robby Hefton, City Manager

Caption:

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

Issue:

D. 2. **** RESOLUTION NO. 6651***

Authorizing Execution of a Development Agreement between the City of Sherman and CFT NV Developments, LLC for the Construction of Public Facilities in Replat of Sherman Crossroads, Phase II, Lots 1R-1 and 6, Block 2, a 1.012-acre Development off of Crossroads Boulevard, North of F.M. 1417 (Heritage Parkway) in the City of Sherman

D. 5. **** RESOLUTION NO. 6654***

Authorizing the City Manager to Execute a Contract with The Sherman Museum for Expenditure of a Portion of the Funds Collected by the City of the Hotel-Motel Occupancy Tax

D. 6. **** RESOLUTION NO. 6655***

Revoking and Replacing Resolution No. 6536; Establishing Salary Structures and Incentive/Certification Pay Schedules for Firefighters and Police Officers; Establishing Special Longevity Pay Schedules for Newly Hired Firefighters and Police Officers; Providing for an Effective Date

D. 7. **** RESOLUTION NO. 6656***

Adopting an Investment Policy for the City of Sherman

E. 1. **** REQUEST TO ADVERTISE***

Annual Two-Way Radio and Early Warning Siren Maintenance

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 1.**

Meeting Date: 09/21/2020

Prepared By: Wayne Lee, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6650

Authorizing Execution of a Development Agreement between the City of Sherman and Brown Lewisville Railroad Family First LP for the Construction of Public Facilities for 695 Highway 11, Sherman, TX, in the City of Sherman's Extra Territorial Jurisdiction (ETJ)

Issue:

The construction of public facilities for 695 Highway 11, Sherman, TX in the City of Sherman's ETJ

Background:

Big City Crushed Concrete, owned by Brown Lewisville Railroad Family First LP, is building a production facility at 695 Highway 11 within the City of Sherman's ETJ. In order for Big City Crushed Concrete to connect to the City's water system for their operations, they propose to extend approximately 1,440 linear feet of water main along Highway 11. The City of Sherman is requesting the line be oversized for future demands and is participating in some of the additional upgrade costs per this agreement. This agreement also sets a discounted contract price to the City of Sherman for crushed concrete through 2030. Also as part of this agreement, the owner will voluntarily annex when the city limits are adjacent to their property.

Origination:

Engineering Department

Financial Consideration:

The development fee to be paid by the developer for testing of public infrastructure of such water line will include a contribution by the City of up to 30% of the total engineering design costs and construction installation costs, not to exceed a total of $52,495.00. The City shall also waive the engineering plan review, inspection, and testing fee of $4,849.50. Funding for this project is available in the Utility Capital Improvements Program (CIP) Fund.

Staff Recommendation:

Staff recommends approval and execution of the Development Agreement.

Alternatives:

As directed by City Council

Attachments

Resolution No. 6650
Development Agreement
Aerial Location Map

RESOLUTION NO. 6650

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND BROWN LEWISVILLE RAILROAD FAMILY FIRST LP FOR THE CONSTRUCTION OF PUBLIC FACILITIES FOR 695 HIGHWAY 11, SHERMAN, TX, IN THE CITY OF SHERMAN'S EXTRA TERRITORIAL JURISDICTION (ETJ); 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 Development Agreement with Brown Lewisville Railroad Family First LP for the construction of public facilities for 695 Highway 11, Sherman, TX, in the City of Sherman's Extra Territorial Jurisdiction (ETJ), in accordance with all contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the _____ day of _____, 2020.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY, CITY ATTORNEY

STATE OF TEXAS §
§
COUNTY OF GRAYSON §

DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF SHERMAN AND BROWN LEWISVILLE RAILROAD FAMILY FIRST LP

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this 21st day of September, 2020 (the "Effective Date"), by and among the City of Sherman ("City"), a municipal corporation organized under the laws of the State of Texas, and Brown Lewisville Railroad Family First LP ("Developer").

WITNESSETH:

WHEREAS, City recognizes the importance of its continued role in local economic development; and

WHEREAS, Developer is developing a portion of the City and making improvements to the City; and

WHEREAS, Developer owns or controls lands located within the City of Sherman, Texas Extraterritorial Jurisdiction (ETJ), and described to the City by the Developer as 695 Highway 11, Sherman, TX, and attached hereto and made a part hereof as if fully set out in this paragraph as Exhibit "A" and hereinafter referred to as the "Property", and Developer intends to develop the Property by constructing improvements thereon; and

WHEREAS, the Developer desires that the City accept the dedication of the streets, utilities, and other improvements as reflected on the plans and specifications submitted by the Developer as a part of the public facilities of the City, as indicated in Paragraph 2 of Article I; and

WHEREAS, the CITY is willing to provide, in accordance with the provisions of this Agreement and the prevailing state and local laws, city services to the Property and thereafter operate applicable facilities so that the occupants of the improvements on the Property will receive City services;

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

ARTICLE I.
SPECIFIC CONTRACT PROVISIONS

1. **Assurance of Title:** At the time of execution of this Agreement, the Developer agrees to deliver to City a copy of a Title Insurance Policy, or an opinion of title from a qualified attorney-at-law addressed to the City in a form and substance satisfactory to City with respect to the Property, which opinion shall include a current report on the status of the title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens and covenants.

The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service contained in this Agreement.

2. **Assurance of Accuracy of Documents:** Developer has caused the subdivision plat of the Property (the "plat) and all plans and specifications (the "plans") for the streets, utilities and other improvements to be developed on the Property (collectively the "Project") as part of the public facilities of the City, to be prepared by a Registered Professional Engineer and that Plat and Plans accurately depict such subdivision and the improvements comprising the Project. Developer understands that the City will rely on the accuracy of the Plat and Plans in making its determination as to whether the documents comply with all City ordinances, state and federal law.

3. **Development Documents:** Upon the execution of this Agreement, Plat, Plans, and orders of the City Planning and Zoning Commission and the City Council, made in connection with the approval of the subdivision depicted on the Plat (hereinafter the "Subdivision") are confirmed, ratified, and agreed upon by both parties. Developer agrees to comply with such orders and Ordinance No. 2684, and any amendments as of the date of the execution of the contract, as applicable to the Subdivision; and all of the work of the Project will be done under the supervision of the City Engineer (as defined in Paragraph 8 of this Article) to City standards, and in accordance with applicable City regulations. The Plat, Plans, orders of the City Planning and Zoning Commission, and the City Council and Ordinance No. 2684 (hereinafter collectively referred to as the "Development Documents") are incorporated into this Agreement a part thereof for all purposes.

4. **Delivery of Improvements:** The Developer will pay for and deliver to the City free and clear of all liens and costs, all of the improvements provided in the Development Documents.

5. **Performance Bond:** No work shall be performed within the Subdivision until the Developer presents to the City Manager a satisfactory Performance Bond and a Payment Bond, as provided by Chapter 2253 of the Texas Government Code, from the Contractor in favor of the Developer and the City. Such bond shall be made for 100% of the contract price for all streets and utilities and public works to be installed in the Subdivision, and shall be in a form containing all other provisions set forth in Chapter 2253 of the Texas Government Code, including, but not limited to, Section 2253.021 of that Chapter.

6. **Failure to Complete Development:** If the Developer does not complete the Improvements contained in the Development Documents on or before September 21, 2021, City may, at its election, use the Performance Bond to complete such Improvements. The date in this Paragraph may be extended by the mutual agreement of the parties. Such extension shall be in writing, as provided in Paragraph 13 of Article II.

7. **Availability of Public Facilities:** No public facilities will be made available to any lot within any segment of this Subdivision until the work on each segment is performed and approved as agreed upon in this Agreement.

8. **Registered Civil Engineer:** All of the plans and specifications for the improvements herein mentioned in the Development Documents, shall be prepared by a Registered Professional Civil Engineer, and all of the improvements shall be built under the supervision of such

engineer, and the engineer shall certify to the City that, as each segment is built, such segment as built is true and correct in accordance with the plans and specifications, and that the same was built under his supervision, and the certificate shall be signed and sealed by such engineer. All of the expense of such engineering shall be paid for by the Developer.

9. **City Engineer:** Before work is begun on any improvement, the City Engineer shall designate a person, hereinafter identified as "City Engineer," who shall be notified and arrangements made for inspection by the City Engineer at such stages of construction as required by him, and no improvement constructed underground shall be covered by the Developer until inspected by the City Engineer and approved by him. At any time any construction is contrary to the plans and specifications, the City Engineer shall be, and is, empowered to stop construction and require correct construction and installation at the Developer's risk and without liability to the City.

10. **Coordination of Work:** The work will be coordinated between the City and the Developer so that the utilities will be in place before the permanent improvements are installed.

11. **Utility Arrangements:** The Developer will make its own arrangements with gas, electric, and telephone service providers for extensions of their utilities, and upon complying with this Agreement, the City utilities will be furnished.

12. **Fees:** Other fees normally charged by the City for building permits, water taps, service connections, and similar fees will be paid as required to the City by the Developer.

13. **Maintenance Bond:**

    A. Developer shall provide a Maintenance Bond to the City at the time of final acceptance of the improvements by the City Engineer. The Bond shall name the City as an obligee under the bond and the bond shall provide a one (1) year guarantee on all the improvements contained in the Development Documents.

14. **WAIVER OF RIGHTS UNDER STATE LAW:**

    A. Developer understands that, pursuant to Section 212.904 of the Texas Local Government Code, the developer is entitled to an apportionment of the municipal infrastructure cost and that such apportionment must be done by a professional engineer. Developer hereby agrees that any land or property it donates to the City, as reflected on the Final Plat, is roughly proportionate to the need for such land. Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said donation are related both in nature and extent to the impact of the development of the Property and its needs related thereto. BY MY SIGNATURE ON THIS AGREEMENT, DEVELOPER HEREBY FREELY, KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHTS UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, OR ANY OTHER RELATED CLAIMS. DEVELOPER AGREES THAT THE DEVELOPER'S AGREEMENT MAY PROCEED WITHOUT THE REQUIREMENTS IMPOSED ON THE CITY UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, EXCEPT

DEVELOPER SPECIFICALLY RESERVES ITS RIGHT TO APPEAL THE APPORTIONMENT IN ACCORDANCE WITH SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

B. BOTH DEVELOPER AND THE CITY FURTHER AGREE TO WAIVE AND RELEASE ALL CLAIMS ONE MAY HAVE AGAINST THE OTHER RELATED TO ANY AND ALL ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY *DOLAN V. TOWN OF TIGARD*, 512 U.S. 374 (1994), AND ITS PROGENY, AND WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN THE DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE FOREGOING, INCLUDING ALL DEDICATIONS OF LAND, PARKLAND, AND ANY INFRASTRUCTURE REFERENCED HEREIN. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

15. **Other Provisions:**

A. The Developer shall extend approximately 1,440 linear feet of water main to serve the Property.

B. The City desires the water main extension referenced in paragraph "A" above to be a 12-inch oversized main.

C. The City agrees to contribute up to 30% of the total engineering design costs for the water main in an amount not to exceed $4,000.00.

D. The City agrees to contribute up to 30% of the total construction installation cost to offset some of the difference between an 8-inch and 12-inch water main in an amount not to exceed $48,495.00.

E. Upon Completion of the Subdivision one electronic copy and one set of reproducible "Record" drawings will be supplied to the City.

F. The City shall waive the engineering plan review, inspection, and testing fee of $4,849.50.

G. Developer agrees that the development, as set forth in the Contract Documents, will comply with all federal, state and local laws relating to the discharge of storm water upon completion of the development.

H. Developer and City agree that any and all goods and services relative to infrastructure dedicated to the City are exempt from state and local sales tax in accordance with Texas Tax Code §§151.309 and 151.311.

I. City agrees to charge the Developer the same water rate for the Property as charged to users within the City limits.

J. When the City of Sherman City limits extend to a land parcel adjacent to the Property, the Developer shall voluntarily annex into the City of Sherman, if requested by the City to annex.

K. In the interest of "non-compete", the City of Sherman will close its yard from receiving recycled concrete or asphalt. In exchange, Developer will sell up to 11,000 tons of crushed concrete to the City of Sherman at a rate of $7.00 per ton or the market rate, whichever is less, until 2025. The Developer will sell up to 15,000 tons of crushed concrete to the City of Sherman at a rate of $8.50 per ton or the market rate, whichever is less, from 2026 to 2030. A discounted crushed concrete rate for the City of Sherman after 2030 will be subject to negation between both parties. The City of Sherman shall not resell any material bought at a discounted rate from Developer and will only be used for self-performed work.

ARTICLE II.

GENERAL CONTRACT PROVISIONS

1. **Force Majeure.** If the performance of any of the parties hereto is delayed by reason of war, civil commotion, acts of God, inclement weather, unanticipated subsurface conditions, fire or other casualty, court injunction or any circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed. The terms above shall not apply to extend the time permitted for any payment obligations set forth in this Agreement.

2. **INDEMNIFICATION AND HOLD HARMLESS.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, DEVELOPER OBLIGATES ITSELF TO THE CITY TO FULLY AND UNCONDITIONALLY PROTECT, INDEMNIFY AND DEFEND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, AND HOLD IT HARMLESS FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITY FOR INJURIES TO PROPERTY, INJURIES TO PERSONS (INCLUDING DEVELOPERS EMPLOYEES), INCLUDING DEATH, AND FROM ANY OTHER COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITIES OF ANY AND EVERY NATURE WHATSOEVER ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, OUT OF OR IN CONNECTION HEREWITH, REGARDLESS OF CAUSE OR OF THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF

DEVELOPER, ITS OFFICERS, AGENTS OR EMPLOYEES. THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY. This indemnity does not waive any governmental immunity available to the City under Texas law and does not waive any defenses of the parties under Texas law.

3. **Authority to Bind**. Each general partner or member executing this Agreement on behalf the Developer represents that, by executing this Agreement in such capacity, it acts within the scope of its authority and does not exceed the bounds of its authority to act to bind such party regarding the obligations and assurances contained in this Agreement. City represents that the execution of this Agreement as provided below has been duly authorized by the City Council as provided in the Approval Resolution.

4. **Events of Default**. A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement. The non-defaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event which would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the notifying party requires or proposes to require with respect to curing the default.

5. **Remedies Available to City**. If a default by Developer shall occur and continue, after thirty (30) day's notice to cure default, City may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law and including using the Performance Bond to complete the work, without the necessity of further notice to or demand upon Developer. City shall not, however, have the right to exercise such remedies for so long as Developer proceeds in good faith and with due diligence to remedy and correct the default, provided that Developer has commenced to cure such default within thirty (30) days following notice, pursues such cure with reasonable diligence and completes such cure within one hundred eighty (180) days.

6. **No Waiver of Defenses.** Nothing in this Agreement shall be construed or intended to waive any defenses available to the City, including, but not limited to, governmental immunity.

7. **Venue and Governing Law**. This Agreement is performable in Grayson County, Texas and venue of any action arising out of this Agreement shall be exclusively in Grayson County. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

8. **Notices**. Any notice required by this Agreement shall be deemed to be properly served (i) three (3) days following deposit if deposited in the U.S. mail by certified letter, return receipt requested; (ii) on the next business day if sent by nationally recognized overnight delivery service; or (iii) upon receipt if transmitted by facsimile or electronic transmission, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

CITY:

DESIGNEE:	Wayne E. Lee, P.E., CFM
ADDRESS:	220 W. Mulberry Street
	Sherman, TX 75090
PHONE:	903-892-7327
FAX:	903-870-7802

DEVELOPER: Brown Lewisville Railroad Family First LP

DESIGNEE:	Michael Richard
ADDRESS:	P.O. Box 29816
	Dallas, TX 75229
PHONE:	972-243-5820
FAX:	972-243-4353

9. **Legal Construction.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

10. **Counterparts.** This Agreement may be executed in any number of counterparts, which may be transmitted originally or electronically, each of which shall be deemed an original and constitute one and the same instrument.

11. **Captions.** The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

12. **Successors and Assigns.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto, provided, however, this Agreement shall not be assigned by Developer without prior written approval by the City Manager of the City, which approval shall not be unreasonably withheld or delayed. City may assign or delegate any of its rights or obligations under this Agreement but the same shall not constitute a novation.

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

14. **Interpretation of Agreement.** This is negotiated Agreement. If any part of this Agreement is in dispute, the parties stipulate that the Agreement shall not be construed more favorably for either party.

IN WITNESS WHEREOF, parties have caused this Agreement to be executed in duplicate this _____ day of _____ 2020, with an original to each party.

Developer: **Brown Lewisville Railroad Family First LP**

BY: _____
NAME: Michael Richard
TITLE: Vice President

ATTEST: **BY:** _____

NAME: _____

TITLE: _____

CITY: **CITY OF SHERMAN**

BY: _____
NAME: Robby Hefton
TITLE: City Manager

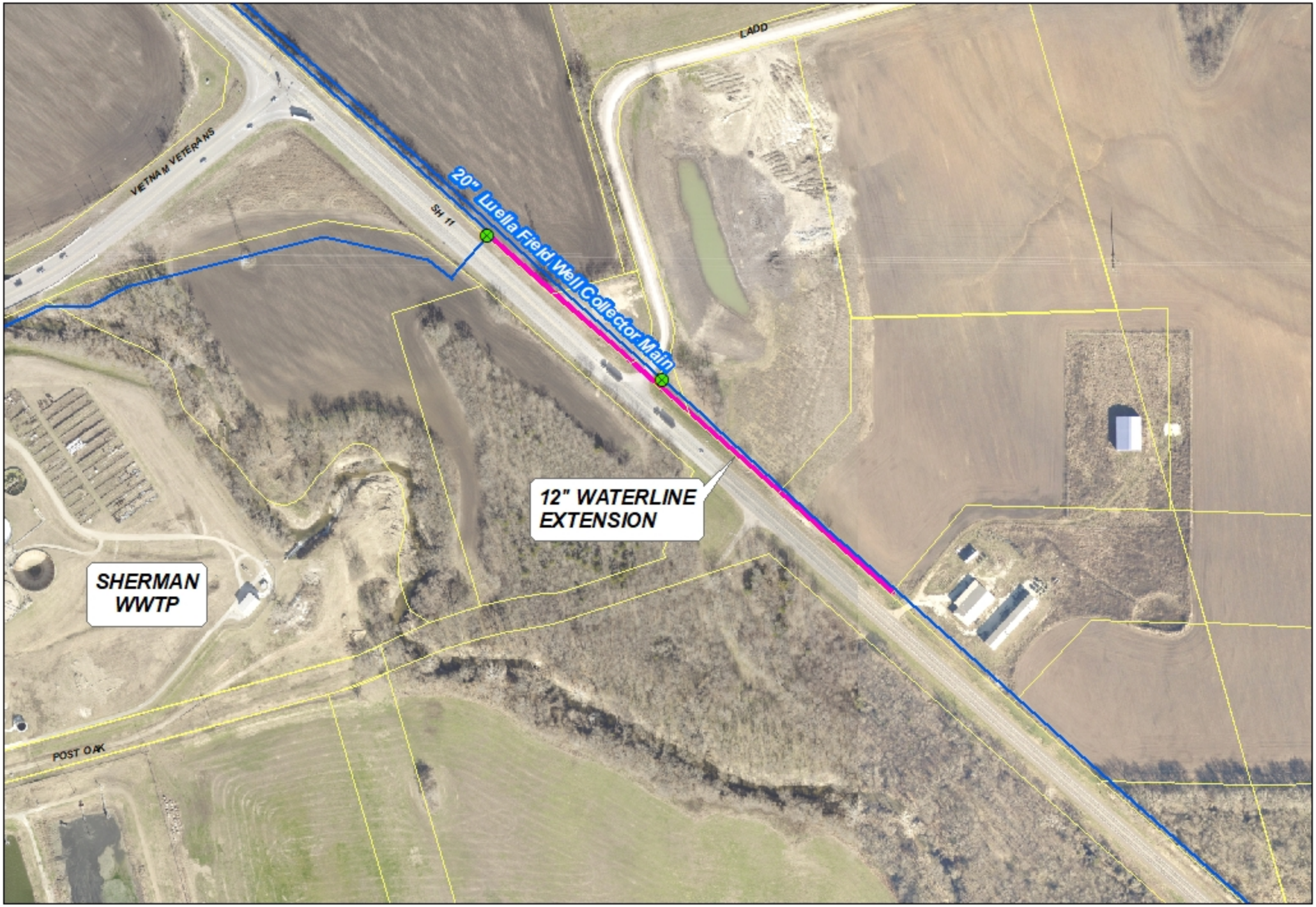
ATTEST: **BY:** _____
NAME: Linda Ashby
TITLE: City Clerk

APPROVAL RECOMMENDED:

_____
Wayne E. Lee, P.E., CFM / Director Engineering

APPROVED AS TO FORM:

_____
Brandon S. Shelby, City Attorney



Sherman
ENGINEERING DEPT
220 W. MULBERRY
SHERMAN, TX 75090

BIG CITY CRUSHED CONCRETE
12" WATERLINE EXTENSION

1 inch = 300 feet

N

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 2.**

Meeting Date: 09/21/2020

Prepared By: Wayne Lee, Director of Engineering

Approved By: Robby Hefton, City Manager

Caption:

**** RESOLUTION NO. 6651***

Authorizing Execution of a Development Agreement between the City of Sherman and CFT NV Developments, LLC for the Construction of Public Facilities in Replat of Sherman Crossroads, Phase II, Lots 1R-1 and 6, Block 2, a 1.012-acre Development off of Crossroads Boulevard, North of F.M. 1417 (Heritage Parkway) in the City of Sherman

Issue:

The construction of public facilities for Replat of Sherman Crossroads, Phase II, Lots 1R-1 and 6, Block 2, a 1.012-acre development off of Crossroads Boulevard, north of F.M. 1417 (Heritage Parkway) in the City of Sherman

Background:

CFT NV Developments, LLC proposes to construct a 1.012-acre development off of Crossroads Boulevard, north of F.M. 1417 (Heritage Parkway), which includes the construction of a water main.

Origination:

Engineering Department

Financial Consideration:

The development fee to be paid by the developer for public inspection will be $1,617.75.

Staff Recommendation:

Staff recommends approval and execution of the Development Agreement.

Alternatives:

As directed by City Council

Attachments

Resolution No. 6651
Development Agreement
Exhibit "A" - Filed Plat
Aerial Location Map

RESOLUTION NO. 6651

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND CFT NV DEVELOPMENTS, LLC FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN REPLAT OF SHERMAN CROSSROADS, PHASE II, LOTS 1R-1 AND 6, BLOCK 2, A 1.012-ACRE DEVELOPMENT OFF OF CROSSROADS BOULEVARD, NORTH OF F.M. 1417 (HERITAGE PARKWAY) IN THE CITY OF SHERMAN; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute a Development Agreement with CFT NV Developments, LLC for the construction of public facilities in Replat of Sherman Crossroads, Phase II, Lots 1R-1 and 6, Block 2, a 1.012-acre development off of Crossroads Boulevard, north of F.M. 1417 (Heritage Parkway) in the City of Sherman, in accordance with all contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the _____ day of _____, 2020.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY, CITY ATTORNEY

STATE OF TEXAS §
§
COUNTY OF GRAYSON §

DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF SHERMAN AND CFT NV DEVELOPMENTS, LLC

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this _21st_ day of _September__, 2020 (the "Effective Date"), by and among the City of Sherman ("City"), a municipal corporation organized under the laws of the State of Texas, CFT NV Developments, LLC, a Texas Joint Venture ("Developer").

WITNESSETH:

WHEREAS, City recognizes the importance of its continued role in local economic development; and

WHEREAS, Developer is developing a portion of the City and making improvements to the City; and

WHEREAS, Developer owns or controls lands located in Sherman, Texas, and described to the City by the Developer as Panda Express PXD7556, Lot 1R-2, Block 2, Sherman Crossroads, Phase II, and attached hereto and made a part hereof as if fully set out in this paragraph as Exhibit "A" and hereinafter referred to as the "Property", and Developer intends to develop the Property by constructing improvements thereon; and

WHEREAS, the Developer desires that the City accept the dedication of the utilities, and other improvements as reflected on the plans and specifications submitted by the Developer as a part of the public facilities of the City, as indicated in Paragraph 2 of Article I; and

WHEREAS, the CITY is willing to provide, in accordance with the provisions of this Agreement and the prevailing state and local laws, city services to the Property and thereafter operate applicable facilities so that the occupants of the improvements on the Property will receive City services;

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

ARTICLE I.
SPECIFIC CONTRACT PROVISIONS

1. **Assurance of Title:** At the time of execution of this Agreement, the Developer agrees to deliver to City a copy of a Title Insurance Policy, or an opinion of title from a qualified attorney-at-law addressed to the City in a form and substance satisfactory to City with respect to the Property, which opinion shall include a current report on the status of the title, setting out the name of the legal title holders, the outstanding mortgages, taxes, liens

and covenants. The provisions of this paragraph are for the purpose of evidencing Developer's legal right to grant the exclusive rights of service contained in this Agreement.

2. **Assurance of Accuracy of Documents:** Developer has caused the subdivision plat of the Property (the "plat) and all plans and specifications (the "plans") for the streets, utilities and other improvements to be developed on the Property (collectively the "Project") as part of the public facilities of the City, to be prepared by a Registered Professional Engineer and that Plat and Plans accurately depict such subdivision and the improvements comprising the Project. Developer understands that the City will rely on the accuracy of the Plat and Plans in making its determination as to whether the documents comply with all City ordinances, state and federal law.

3. **Development Documents:** Upon the execution of this Agreement, Plat, Plans, and orders of the City Planning and Zoning Commission and the City Council, made in connection with the approval of the subdivision depicted on the Plat (hereinafter the "Subdivision") are confirmed, ratified, and agreed upon by both parties. Developer agrees to comply with such orders and Ordinance No. 2684, and any amendments as of the date of the execution of the contract, as applicable to the Subdivision; and all of the work of the Project will be done under the supervision of the City Engineer (as defined in Paragraph 8 of this Article) to City standards, and in accordance with applicable City regulations. The Plat, Plans, orders of the City Planning and Zoning Commission, and the City Council and Ordinance No. 2684 (hereinafter collectively referred to as the "Development Documents") are incorporated into this Agreement a part thereof for all purposes.

4. **Delivery of Improvements:** The Developer will pay for and deliver to the City free and clear of all liens and costs, all of the improvements provided in the Development Documents.

5. **Performance Bond:** No work shall be performed within the Subdivision until the Developer presents to the City Manager a satisfactory Performance Bond and a Payment Bond, as provided by Chapter 2253 of the Texas Government Code, from the Contractor in favor of the Developer and the City. Such bond shall be made for 100% of the contract price for all streets and utilities and public works to be installed in the Subdivision, and shall be in a form containing all other provisions set forth in Chapter 2253 of the Texas Government Code, including, but not limited to, Section 2253.021 of that Chapter.

6. **Failure to Complete Development:** If the Developer does not complete the Improvements contained in the Development Documents on or before April 1, 2021, City may, at its election, use the Performance Bond to complete such Improvements. The date in this Paragraph may be extended by the mutual agreement of the parties. Such extension shall be in writing, as provided in Paragraph 13 of Article II.

7. **Availability of Public Facilities:** No public facilities will be made available to any lot within any segment of this Subdivision until the work on each segment is performed and approved as agreed upon in this Agreement.

8. **Registered Civil Engineer:** All of the plans and specifications for the improvements herein mentioned in the Development Documents, shall be prepared by a Registered Professional Civil Engineer, and all of the improvements shall be built under the supervision of such engineer, and the engineer shall certify to the City that, as each segment is built, such segment as built is true and correct in accordance with the plans and specifications, and that the same was built under his supervision, and the certificate shall be signed and sealed by such engineer. All of the expense of such engineering shall be paid for by the Developer.

9. **City Engineer:** Before work is begun on any improvement, the City Engineer shall designate a person, hereinafter identified as "City Engineer," who shall be notified and arrangements made for inspection by the City Engineer at such stages of construction as required by him, and no improvement constructed underground shall be covered by the Developer until inspected by the City Engineer and approved by him. At any time any construction is contrary to the plans and specifications, the City Engineer shall be, and is, empowered to stop construction and require correct construction and installation at the Developer's risk and without liability to the City.

10. **Coordination of Work:** The work will be coordinated between the City and the Developer so that the utilities will be in place before the permanent improvements are installed.

11. **Utility Arrangements:** The Developer will make its own arrangements with gas, electric, and telephone service providers for extensions of their utilities, and upon complying with this Agreement, the City utilities will be furnished.

12. **Fees:** Other fees normally charged by the City for building permits, water taps, service connections, and similar fees will be paid as required to the City by the Developer.

13. **Maintenance Bond:**

    A. Developer shall provide a Maintenance Bond to the City at the time of final acceptance of the improvements by the City Engineer. The Bond shall name the City as an obligee under the bond and the bond shall provide a one (1) year guarantee on all the improvements contained in the Development Documents.

14. **WAIVER OF RIGHTS UNDER STATE LAW:**

    A. Developer understands that, pursuant to Section 212.904 of the Texas Local Government Code, the developer is entitled to an apportionment of the municipal infrastructure cost and that such apportionment must be done by a professional engineer. Developer hereby agrees that any land or property it donates to the City, as reflected on the Final Plat, is roughly proportionate to the need for such land. Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said donation are related both in nature and extent to the impact of the

development of the Property and its needs related thereto. BY MY SIGNATURE ON THIS AGREEMENT, DEVELOPER HEREBY FREELY, KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHTS UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, OR ANY OTHER RELATED CLAIMS. DEVELOPER AGREES THAT THE DEVELOPER'S AGREEMENT MAY PROCEED WITHOUT THE REQUIREMENTS IMPOSED ON THE CITY UNDER SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE, EXCEPT DEVELOPER SPECIFICALLY RESERVES ITS RIGHT TO APPEAL THE APPORTIONMENT IN ACCORDANCE WITH SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

B. BOTH DEVELOPER AND THE CITY FURTHER AGREE TO WAIVE AND RELEASE ALL CLAIMS ONE MAY HAVE AGAINST THE OTHER RELATED TO ANY AND ALL ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY *DOLAN V. TOWN OF TIGARD,* 512 U.S. 374 (1994), AND ITS PROGENY, AND WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN THE DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE FOREGOING, INCLUDING ALL DEDICATIONS OF LAND, PARKLAND, AND ANY INFRASTRUCTURE REFERENCED HEREIN. I CONSENT TO THIS WAIVER AFTER HAVING THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND WAIVER PROVISION WITH MY ATTORNEY, OR IF I HAVE NOT REVIEWED THIS WITH AN ATTORNEY, THAT I HAVE HAD THE OPPORTUNITY TO DO SO AND HAVE VOLUNTARILY CHOSEN NOT TO SEEK THE ADVICE OF AN ATTORNEY.

15. **Other Provisions:**

A. Upon Completion of the Subdivision one electronic copy and one set of reproducible "Record" drawings will be supplied to the City.

B. The Developer shall pay to the City an engineering plan review, inspection, and testing fee of $1,617.75.

C. Developer agrees that the development, as set forth in the Contract Documents, will comply with all federal, state and local laws relating to the discharge of storm water upon completion of the development.

D. Developer and City agree that any and all goods and services relative to infrastructure dedicated to the City are exempt from state and local sales tax in accordance with Texas Tax Code §§151.309 and 151.311.

ARTICLE II.

GENERAL CONTRACT PROVISIONS

1. **Force Majeure.** If the performance of any of the parties hereto is delayed by reason of war, civil commotion, acts of God, inclement weather, unanticipated subsurface conditions, fire or other casualty, court injunction or any circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed. The terms above shall not apply to extend the time permitted for any payment obligations set forth in this Agreement.

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3. **Authority to Bind**. Each general partner or member executing this Agreement on behalf the Developer represents that, by executing this Agreement in such capacity, it acts within the scope of its authority and does not exceed the bounds of its authority to act to bind such party regarding the obligations and assurances contained in this Agreement. City represents that the execution of this Agreement as provided below has been duly authorized by the City Council as provided in the Approval Resolution.

4. **Events of Default**. A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement. The non-defaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event which would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the notifying party requires or proposes to require with respect to curing the default.

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CITY:
DESIGNEE: Wayne E. Lee, P.E., CFM
ADDRESS: 220 W. Mulberry Street
Sherman, TX 75090
PHONE: 903-892-7327
FAX: 903-870-7802

DEVELOPER: CFT NV Developments, LLC
DESIGNEE: Winnie Chan, Manager
ADDRESS: 1120 N. Town Center Drive, Suite 150
Las Vegas, NV 89144
PHONE: 626-372-8526
FAX: _____

9. **Legal Construction.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such

invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

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14. **Interpretation of Agreement.** This is negotiated Agreement. If any part of this Agreement is in dispute, the parties stipulate that the Agreement shall not be construed more favorably for either party.

IN WITNESS WHEREOF, parties have caused this Agreement to be executed in duplicate this _21st_ day of _September_____ 2020, with an original to each party.

Developer: CFT NV Developments, LLC

BY: _____
NAME: Winnie Chan
TITLE: Manager

ATTEST: **BY:** _____

NAME: _____

TITLE: _____

CITY: **CITY OF SHERMAN**

BY: _____
NAME: Robby Hefton
TITLE: City Manager

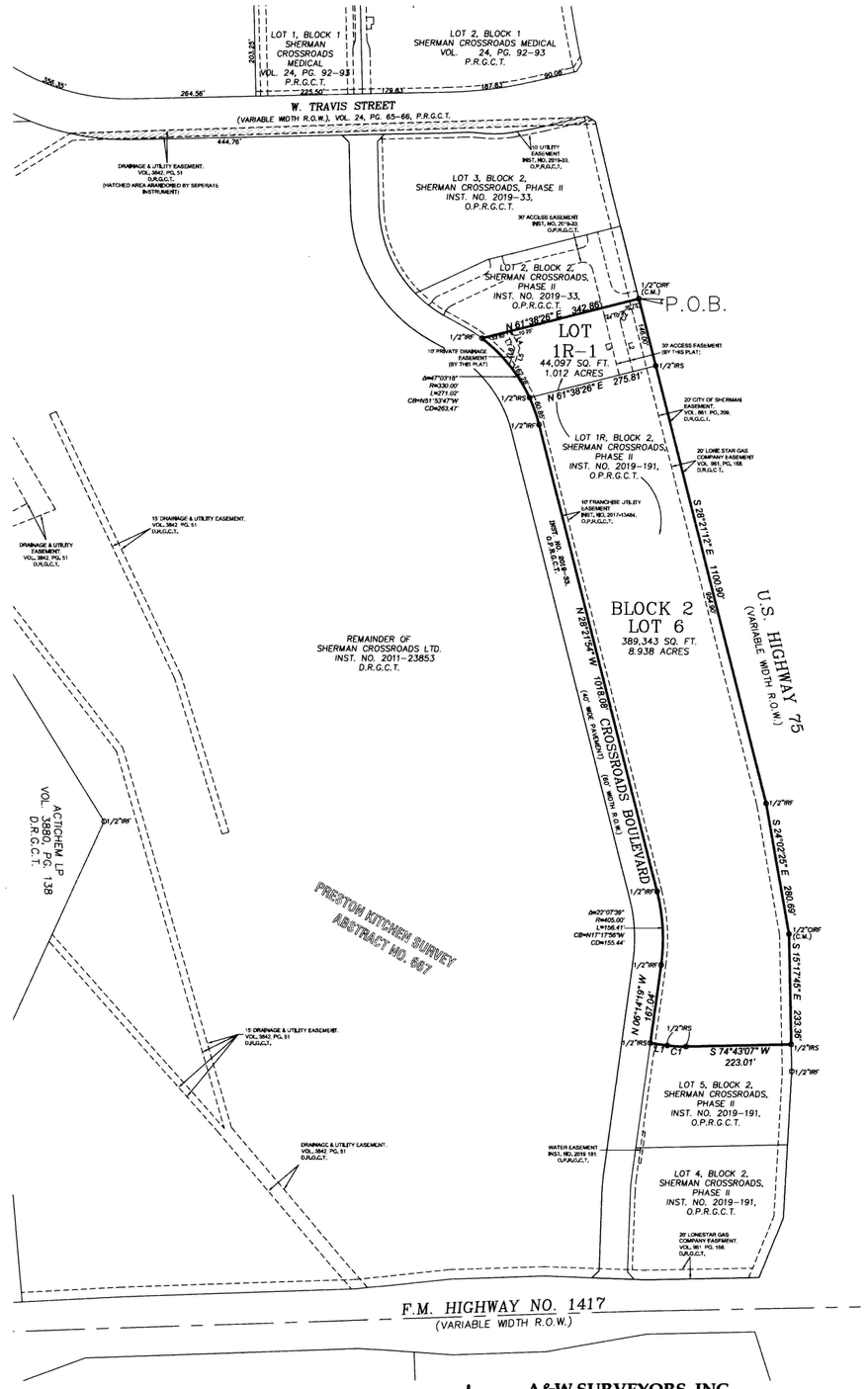
ATTEST: **BY:** _____
NAME: Linda Ashby
TITLE: City Clerk

APPROVAL RECOMMENDED:

_____
Wayne E. Lee, P.E., CFM / Director Engineering

APPROVED AS TO FORM:

_____
Brandon S. Shelby, City Attorney



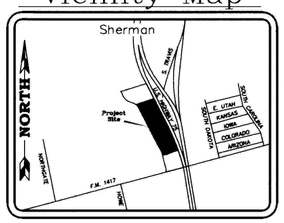
LEGEND

IRF	IRON ROD FOUND
CIRF	CAPPED IRON ROD FOUND
CIRS	YELLOW CAPPED IRON ROD SET
P.O.B.	POINT OF BEGINNING
R.O.W.	RIGHT-OF-WAY
ESMT.	EASEMENT
VOL.	VOLUME
PG.	PAGE
C.M.	CONTROLLING MONUMENT
D.R.G.C.T.	DEED RECORDS, GRAYSON COUNTY, TEXAS
———	LOT LINE
———	BOUNDARY LINE

LINE TABLE		
LINE	LENGTH	BEARING
L1	36.64'	S83°47'17"W
L2	106.00'	S28°21'33"E
L3	128.50'	S28°21'33"E
L4	40.39'	S41°04'53"E
L5	47.64'	S03°55'07"W
L6	36.72'	N03°55'07"E
L7	38.50'	N41°04'53"W

CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CH. BEAR.	CHORD
C1	9°04'08"	250.00'	39.57'	S79°15'13"W	39.53'
C2	64°09'27"	25.00'	27.99'	S03°43'10"W	26.55'

Vicinity Map



Filed for Record
in the Official Records Of:
Grayson County Clerk
On: 7/22/2020 11:34:02 AM
In the PLAT Records
SHERMAN CROSSROADS PHASE II
Doc Number: 2020 – 108
Number of Pages: 2
Amount: 75.00
Order#: 20200722000049
By: SB

PURPOSE OF PLAT:

To create one (2) smaller lots from one (1) existing lot for redevelopment.

NOTES:

1. No portion of the subject property lies within any area of 100-year flood according to FEMA's Flood Insurance Rate Map, Community-Panel No. 485509 0405 F, dated September 29, 2010. Property is in Zone X.

2. Bearings are based upon the Texas State Plane Coordinate System, North American Datum of 1983 (NAD83), North Central Zone 4202.

22060

A&W SURVEYORS, INC.
Professional Land Surveyors
TEXAS REGISTRATION NO. 100174-00
P.O. BOX 870029, MESQUITE, TX. 75187
PHONE: (972) 681-4975 FAX: (972) 681-4954
WWW.AWSURVEY.COM

OWNER:
SHERMAN CROSSROADS LTD.,
4650 BELTLINE ROAD, STE 400
ADDISON, TEXAS 75001

Job No.: 19-2168 Drawn by: 517 Date: 12-19-2019 Revised:

"A professional company operating in your best interest"

REPLAT
SHERMAN CROSSROADS, PHASE II
LOTS 1R-1 AND 6, BLOCK 2
AN ADDITION TO THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
BEING A REPLAT OF SHERMAN CROSSROADS, PHASE II, LOTS 1R, 4 & 5
AND BEING SITUATED IN THE
PRESTON KITCHEN SURVEY, ABSTRACT NO. 667
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS

OWNER'S CERTIFICATE
STATE OF TEXAS
COUNTY OF GRAYSON

WHEREAS SHERMAN CROSSROADS LTD, are owners of a tract of land situated in the Preston Kitchen Survey, Abstract Number 667, City of Sherman, Grayson County, Texas and being part of Lot 1R, Block 2, of Sherman Crossroads, Phase II, Lots 1R, 4 & 5, an addition to the City of Sherman, Grayson County, Texas, according to the plat thereof recorded in Instrument No. 2019–191, Official Public Records, Grayson County, Texas, and being part of a tract of land conveyed to Sherman Crossroads LTD by Special Warranty Deed with Vendor's Lien, recorded in Instrument No. 2011–23853, Official Public Records, Grayson County, Texas, and being more particularly described as follows:

Beginning at a 1/2" iron rod with a yellow plastic cap stamped "RPLS 5310" found in the southwest right–of–way line of U.S. Highway 75 Southbound service road (variable width R.O.W.), at the Southeast corner of Lot 2, Block 2,of Sherman Crossroads, Phase II, an addition to the City of Sherman, Grayson County, Texas, according to the plat thereof recorded in Instrument No. 2019–33, Official Public Records, Grayson County, Texas;

Thence South 28°21'12" East, along said Southwest line, a distance of 1100.90' to a 1/2" iron rod found for corner;

Thence South 24°02'25" East, along said Southwest line, a distance of 280.69' to a 1/2" iron rod found for corner;

Thence South 15°17'45" East, along said Southwest line, a distance of 233.36' to a 1/2" iron rod with a yellow plastic cap stamped "RPLS 5310" set at the Northeast corner of Lot 5, Block 2, of said Sherman Crossroads, Phase II, recorded in Instrument No. 2019–191, Official Public Records, Grayson County, Texas;

Thence South 74°43'07" West, a distance of 223.01' to a 1/2" iron rod with a yellow plastic cap stamped "RPLS 5310" set for corner at the beginning of a curve to the right, having a central angle of 09°04'08", a radius of 250.00', and a chord bearing and distance of South 79°15'13" West, 39.53';

Thence Southwesterly, along said curve to the right, an arc distance of 39.57' to a 1/2" iron rod with a yellow plastic cap stamped "RPLS 5310" set for corner;

Thence South 83°47'17" West, a distance of 36.64' to a 1/2" iron rod with a yellow plastic cap stamped "RPLS 5310" set in the Northeast line of Crossroads Boulevard, a 60' right–of–way, dedicated by Instrument No. 2019–33, Official Public Records, Grayson County, Texas, and being at the Northwest corner of said Lot 5, Block 2;

Thence North 06°14'19" West, along said Northeast line, a distance of 167.04' to a 1/2" iron rod with a yellow plastic cap stamped "RPLS 5310" found for corner at the beginning of a curve to the left, having a central angle of 22°07'39", a radius of 405.00', and a chord bearing and distance of North 17°17'56" West, 155.44';

Thence Northwesterly, along said curve to the left and said Northeast line, an arc distance of 156.41' to a 1/2" iron rod found for corner;

Thence North 28°21'54" West, along said Northeast line, a distance of 1018.08' to a 1/2" iron rod found for corner at the beginning of a curve to the left, having a central angle of 47°03'18", a radius of 330.00', and a chord bearing and distance of North 51°53'47" West, 263.47';

Thence Northwesterly, along said curve to the left and said Northeast line, an arc distance of 271.02' to a 1/2" iron rod found at the Southwest corner of said Lot 2, Block 2;

Thence North 61°38'26" East, a distance of 342.86' to the PLACE OF BEGINNING and containing 433,439 square feet or 9.950 acres of land.

OWNER'S CERTIFICATE OF DEDICATION:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That SHERMAN CROSSROADS LTD, acting by and through its duly authorized agent, does hereby adopt this Replat designating the herein described real property as SHERMAN CROSSROADS, PHASE II, an addition to the City of Sherman, Grayson County, Texas, Being 9.950 acres situated in and being a portion of the Preston Kitchen Survey, Abstract No. 667, City of Sherman, Grayson County, Texas and does hereby dedicate to the public's use forever, the streets, alleys, parks, right–of–ways, school sites and other public places, easements shown thereon.

WITNESS, my hand at Dallas, Dallas County, Texas, this 22 day of July, 2020.

SHERMAN CROSSROADS, GP, LLC

By: William J. Harkinson
William J. Harkinson, Manager

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared William J. Harkinson, known to me by the person whose name is subscribed to the above and foregoing instrument, and acknowledged to me that he executed the same for purposes and consideration expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 22nd day of July, 2020.

Notary Public in and for the State of Texas

My Commission Expires On:

JUDY BRIGHT
NOTARY PUBLIC
ID# 126687040
State of Texas
Comm. Exp. 10-13-2020

STATE OF TEXAS
COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS:

THAT I, John S. Turner, do hereby certify that I prepared this Replat from an actual and accurate survey of the land and that the corner monuments shown thereon were properly placed under my personal supervision, in accordance with the subdivision regulations of the City of Sherman, Texas.

John S. Turner
Registered Professional Land Surveyor, No. 5310
Date: 6-17-20

STATE OF TEXAS
REGISTERED
JOHN S. TURNER
#5310
PROFESSIONAL
LAND SURVEYOR

STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared John S. Turner, known to me by the person whose name is subscribed to the above and foregoing instrument, and acknowledged to me that he executed the same for purposes and consideration expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 17th day of June, 2020.

Notary Public in and for the State of Texas

My Commission Expires On:

GWENDA L OVERKAMP
My Notary ID # 132273626
Expires December 4, 2023

STATE OF TEXAS
COUNTY OF GRAYSON

Approved this 18th day of February, 2020 by the City Planning and Zoning Commission of the City of Sherman, Texas.

Chairman

Secretary

Accepted by the City Council of the City of Sherman:

Mayor

06/23/2020
Date

The undersigned, the City Clerk of the City of Sherman, hereby certifies that the foregoing final plat of SHERMAN CROSSROADS, PHASE II to the City of Sherman was submitted to the City Council on the 16th day of March, 2019, and the City Council by formal action then and there accepted the dedication of streets, alleys, easements, and public places, as shown and set forth in and upon said map or plat, and said City Council further authorized the May to not the acceptance thereof by signing his name as hereinabove subscribed.

Witness my hand this 23rd day of June, A.D. 2020

Linda Ashby
City Clerk, City of Sherman, Texas

CITY OF SHERMAN, TEXAS

Filed for Record
in the Official Records Of:
Grayson County Clerk
On: 7/22/2020 11:34:02 AM
In the PLAT Records
SHERMAN CROSSROADS PHASE II
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A&W SURVEYORS, INC.
Professional Land Surveyors
TEXAS REGISTRATION NO. 100174-00
P.O. BOX 870029, MESQUITE, TX. 75187
PHONE: (972) 681-4975 FAX: (972) 681-4954
WWW.AWSURVEY.COM

OWNER:
SHERMAN CROSSROADS LTD.,
4650 BELTLINE ROAD, STE 400
ADDISON, TEXAS 75001

Job No.: 19-2168 Drawn by: 517 Date: 12-19-2019 Revised:

"A professional company operating in your best interest"

REPLAT
SHERMAN CROSSROADS, PHASE II
LOTS 1R-1 AND 6, BLOCK 2
AN ADDITION TO THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS
BEING A REPLAT OF SHERMAN CROSSROADS, PHASE II, LOTS 1R, 4 & 5
AND BEING SITUATED IN THE
PRESTON KITCHEN SURVEY, ABSTRACT NO. 667
CITY OF SHERMAN, GRAYSON COUNTY, TEXAS

E-9-402

Panda Express - Sherman Crossroads

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 3.**

Meeting Date: 09/21/2020

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6652

Authorizing Execution of an Interlocal Agreement between the City of Sherman and the Sherman Independent School District for Grant Funding awarded by the Texas Department of Emergency Management Coronavirus Relief Fund

Issue:

Approving an Interlocal Agreement (ILA) with the Sherman Independent School District (SISD) for grant funding through the Texas Department of Emergency Management (TDEM)

Background:

At the June 1, 2020 meeting, the City Council accepted a grant awarded by the TDEM to fund expenditures incurred due to the Coronavirus. The City was awarded approximately $2.4 million of which seventy-five percent (75%) must be used for actions taken to respond to the public health emergency, such as medical expenses (testing), public health expenses (medical and protective supplies), and payroll expenses for public safety and public health employees. Twenty-five percent (25%) of expenditures may be used to respond to second-order effects of the emergency, such expenses associated with economic support for those suffering from employment interruptions and providing distance learning. SISD has approached the City with a distance learning project and other expenses related to their response to the Coronavirus.

Origination:

Finance Department

Financial Consideration:

The City will provide $35,000.00 to SISD for the distance learning project and about $20,000.00 for other expenses related to their response to the Coronavirus.

Staff Recommendation:

The staff recommends approval of this Interlocal Agreement.

Alternatives:

None are recommended.

Attachments

Resolution No. 6652

Interlocal Agreement

RESOLUTION NO. 6652

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE SHERMAN INDEPENDENT SCHOOL DISTRICT FOR GRANT FUNDING AWARDED BY THE TEXAS DEPARTMENT OF EMERGENCY MANAGEMENT CORONAVIRUS RELIEF FUND; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the City Manager be and is hereby authorized, subject to all contract documents being properly completed and approved as to form and content by the City Attorney, to execute an Interlocal Agreement with the Sherman Independent School District (SISD) for an award of a portion of a total Two Million Four Hundred Thirty Thousand Five Hundred Sixty Dollars and No Cents ($2,430,560.00) from the Texas Department of Emergency Management (TDEM) Coronavirus Relief Fund (CRF), as set forth below and in accordance with the terms and provisions of the Interlocal Agreement attached hereto and incorporated herein for all purposes:

- Reimbursement for Thirty-Five Thousand Dollars and No Cents ($35,000.00) for the local match of the Texas Education Agency (TEA) Bulk Purchases Program; and

- Reimbursement for other eligible expenditures qualifying under the seventy-five (75%) category as defined TDEM.

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

PASSED AND APPROVED on this the _____ day of _____, 2020.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

THE STATE OF TEXAS §
§ KNOW ALL BY THESE PRESENTS:
COUNTY OF GRAYSON §

INTERLOCAL AGREEMENT BETWEEN
THE CITY OF SHERMAN, TEXAS,
AND THE SHERMAN INDEPENDENT SCHOOL DISTRICT

CORONAVIRUS RELIEF FUND

THIS AGREEMENT is made and entered into this the _____ day of _____, 2020, by and between the **CITY OF SHERMAN, TEXAS**, acting by and through its governing body, the City Council, hereinafter referred to as "SHERMAN", and the **SHERMAN INDEPENDENT SCHOOL DISTRICT,** acting by and through its governing body, the Board of Trustees, hereinafter referred to as "SISD", State of Texas;

W I T N E S S E T H:

WHEREAS, this Agreement is made under the authority of the Interlocal Cooperation Act, Sections 791.001-791.033, Texas Government Code; and

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interests of both parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this agreement; and

WHEREAS SHERMAN has received an allocation of $2,430,560 from the Texas Division of Emergency Management as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress to provide financial resources to local governments and

WHEREAS seventy-five percent (75%) of SHERMAN's allotment will be spent in the categories of medical expenses, public health expenses and payroll expenses for employees substantially dedicated to mitigating or responding to the public emergency and

WHEREAS twenty-five percent (25%) of SHERMAN's allotment may be spent on expenses of actions to facilitate compliance with COVID-19 related public health measures, expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, and any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the CRF's eligibility criteria and

WHEREAS, SISD has requested funding for the local match of the Texas Education Agency (TEA) bulk purchases program from SHERMAN'S CRF allotment, and

WHEREAS, SISD may also request reimbursement for other eligible expenditures under SHERMAN'S seventy-five percent (75%) allotment, and

NOW, THEREFORE, SHERMAN, and SISD agree as follows:

I. SHERMAN'S Responsibilities

SHERMAN agrees to reimburse SISD for eligible expenditures of the TEA bulk purchases program in the amount of $35,000.00 and for eligible expenditures qualifying under SHERMAN'S seventy-five percent (75%) allotment. SHERMAN will disburse payment to SISD after all documentation requested by SHERMAN has been approved.

II. SISD'S Responsibilities

SISD agrees to provide documentation requested by SHERMAN, including but not limited to vendor invoices, cancelled checks, and purchase orders for eligible expenditures.

III. Term

The term of the Agreement shall commence upon execution by both SHERMAN and SISD and terminate on December 30, 2020, unless the CRF is extended by the Texas Division of Emergency Management. In that case, the termination date will be the extension date. All disbursements to SISD must be completed by the termination date.

IV. Mutual Hold Harmless

To the extent allowed by law, SISD does hereby agree to waive all claims against, release, and hold harmless SHERMAN and all of its officials, officers, agents, employees, in both their public and private capacities, from any and all liability, claims, suits, demands, losses, damages, attorneys' fees, including all expenses of litigation or settlement, or causes of action which may arise by reason of injury to or death of any person or for loss of, damage to, or loss of use of any property arising out of or in connection with this Agreement.

To the extent allowed by law, SHERMAN does hereby agree to waive all claims against, release and hold harmless SISD and all of its officials, officers, agents, employees, in both their public and private capacities, from any and all liability, claims, suits, demands, losses, damages, attorneys' fees, including all expenses of litigation or settlement, or causes of action which may arise by reason of injury to or death of any person or for loss of, damage to, or loss of use of any property arising out of or in connection with this Agreement.

It is the intention of both parties that this mutual hold harmless clause shall be interpreted to mean each party shall be responsible for the actions of each party's own employees, officials, officers, and agents. The parties hereby agree that they have not waived their sovereign and/or

governmental immunity by entering into and performing its obligations under this agreement. No joint enterprise is created and no third-party beneficiaries are intended or created.

V. Miscellaneous

A. Waiver of Subrogation: SHERMAN and SISD each waives any and all rights of recovery against the other, and the employees, agents and representatives of the other, for loss of or damage to property or injury to person to the extent such damage or injury is covered by proceeds received under any insurance policy carried by SHERMAN or SISD and in force at the time of such loss or damage.

B. Assignment: Neither party shall assign, transfer, or subcontract any of its rights, burdens, duties or obligations under this Agreement without the prior written permission of the other party to this Agreement. This Agreement inures to the benefit of and obligates only the parties executing this Agreement. No term or provision of this Agreement is intended to benefit any benefit.

C. Waiver: No waiver of a breach or any provision of the Agreement by either party shall constitute a waiver of any subsequent breach of such provision. Failure of either party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waive thereof.

D. Choice of Law and Venue: All obligations of each party shall be performed in Grayson County, Texas. The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of this Agreement and the exclusive venue for any legal proceedings involving this Agreement shall be Grayson County, Texas.

E. Notices: Notices to SHERMAN shall be deemed given when delivered in person to the City Manager or on the next business day after the mailing of said notice addressed to City Manager by United States mail, certified or registered mail, return receipt requested to 220 W. Mulberry St. Sherman, TX 75090.

Notices to SISD shall be deemed given when delivered in person to the Superintendent or on the next business day after mailing of said notice addressed to said Superintendent by United States mail, certified or registered mail, return receipt requested, to 2701 Loy Lake Rd, Sherman, TX, 75090.

The place for mailing notices for a party may be changed only upon written notice given to the other in the manner herein prescribed for notices sent to the last effective place of mailing for the notifying party.

F. Legal Construction, Entire Agreement: If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, (1) such provision shall be fully severable, (2) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been a part of this Agreement, and (3) the remaining provisions of this Agreement shall remain in full force and effect and shall not

be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. This Agreement is the entire agreement between SISD and SHERMAN as to the subject matter thereof, and is the sole and only agreement of the parties and supersedes any prior understanding or written or oral agreement relative to the subject matter hereof. This Agreement may be amended only by written instrument duly approved and executed by both parties.

CITY OF SHERMAN, TEXAS

BY: _____
Robby Hefton, City Manager

ATTEST:

BY: _____
Linda Ashby, City Clerk

APPROVED AS TO FORM:

BY: _____
Brandon S. Shelby,
Sherman City Attorney

SHERMAN ISD

BY: _____
David Hicks, Superintendent

ATTEST:

BY: _____
Attest Name

APPROVED AS TO FORM:

BY: _____
Attorney Name
SISD Attorney

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 4.**

Meeting Date: 09/21/2020

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

RESOLUTION NO. 6653

Amending the 2019-2020 Budget of the City of Sherman, Texas, Appropriating and Allocating Additional Funds for the Period of October 1, 2019 through September 30, 2020

Issue:

Appropriating additional funds to increase the fiscal year (FY) 2019-2020 budget for year-end expenditure reconciliation

Background:

Annually when applicable, the staff requests a year-end budget reconciliation of projected revenues and expenditures in order to ensure that our final year-end expenses are not greater than what we are authorized to spend. The largest portion of the additional revenues of $4.3 million and expenditures of $6.0 million consists of interfund activity to transfer reserves from the Health Insurance Fund to the General, Utility and Solid Waste Funds; reimbursements and expenses related to projects financed by the Greater Texoma Utility Authority (GTUA); equipment lease proceeds and related equipment purchases; and grant revenue and construction at the Sherman Municipal Airport. For the Utility Improvement changes, a majority of the additional funds needed were provided by GTUA. Of the $2.1 million in additional Utility Improvement expenditures that were originally unbudgeted, those costs related to two major projects - 1) Center Street Utility relocation - related to the Hwy 75 GAP project, and 2) Southwest Sewer extension, which provided sewer to the new SISD High School and the City's commercial land west of the high school.

This year, the amendment is needed to appropriate additional funding and reflect some of the additional revenue in the following funds:

Description	Revenue	Expenditure
General Fund		
Transfer in from Health Fund, Red River Law	$1,138,555	$ -
Fire department overtime	-	400,000
Debt service - police Tahoes	-	24,000
Debt service - fire truck	-	60,000
Adoption trailer	-	42,000
Transfer out to Hotel/Motel Tax Fund	-	100,000

Total General Fund	1,138,555	626,000
TIRZ #7 Construction Fund		
TIRZ #7 Improvements	-	150,000
Debt Service Funds - Consolidation		
Transfer in from other funds	36,920	-
Close TIRZ #5 Debt Service Fund	-	1,142
Close TIRZ #6 Debt Service Fund	-	1,213
Close TIRZ #7 Debt Service Fund	-	1,246
Close 2016 CO Debt Service Fund	-	4,732
Close 2016 Tax Notes Debt Service Fund	-	3,851
Close 2017 CO Debt Service Fund	-	7,067
Close 2017 Refunding Bonds Debt Service Fund		8,876
Close 2017A Stormwater Bonds Fund	-	606
Close 2018 CO Debt Service Fund	-	4,436
Close 2019 CO Debt Service Fund	-	3,751
Total Debt Service Funds	36,920	36,920
Stormwater Fund		
Lamberth Road project budgeted in 2018-2019	-	100,000
Red River Law Enforcement Academy Fund		
Close Red River Law Enforcement Academy Fund	-	8,555
Parks Pride		
Donations	10,000	
Park Equipment		10,000
Hotel/Motel Tax Fund		
Transfer in from General Fund	100,000	-
Concerts	-	50,000
Airport Fund		
RAMP Grant	50,000	-
SkyTrust reimbursement	59,600	-
Airport fuel	-	25,000
Airport Master Plan Phase II	-	25,000
Airport hangars	-	109,600
Total Airport Fund	109,600	159,600
Health Fund		
Transfers to General, Utility and Solid Waste funds	-	1,550,000
Fleet Replacement Fund		
Insurance proceeds - sewer truck	153,000	-

Adoption trailer; police and fire debt service	126,000	-
Debt proceeds	933,000	-
Sewer truck replacement	-	189,000
Five Tahoes, fire truck and adoption trailer	-	840,000
Debt service - fire truck and Tahoes	-	84,000
Total Fleet Replacement Fund	1,212,000	1,113,000
Utility Fund		
Transfer in from Health Fund	280,000	-
Utility Improvement Fund		
GTUA reimbursements	1,300,000	-
Utility projects	-	2,100,000
Solid Waste Fund		
Transfer in from Health Fund	140,000	-
Residential disposal fees	-	125,000
Grand Total	$4,327,075	$6,029,075

Origination:

Director of Finance

Financial Consideration:

This budget amendment will increase net expenditures by about $1.7 million, with total authorized expenditures increasing by $6,029,075 primarily for interfund transfers, GTUA-related capital projects, and equipment financed with lease proceeds. Revenue and receipts increases of $4,327,075 are increased primarily from interfund transfers, reimbursements from GTUA for utility projects, a grant at the Sherman Municipal Airport, and equipment lease proceeds.

Staff Recommendation:

The staff recommends approval of this resolution.

Alternatives:

No viable alternatives exist for approval of this budget amendment.

Attachments

Resolution No. 6653

Budget Amendment 2019-2020 Fund Statements

RESOLUTION NO. 6653

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING THE 2019-2020 BUDGET OF THE CITY OF SHERMAN, TEXAS, APPROPRIATING AND ALLOCATING ADDITIONAL FUNDS FOR THE PERIOD OF OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2020; 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 2019-2020 budget of the City of Sherman, Texas, be amended as shown below, appropriating and/or allocating the below-described funds in the amounts indicated:

Description	Revenue	Expenditure
General Fund		
Transfer in from Health Fund, Red River Law	$ 1,138,555	$ -
Fire department overtime	-	400,000
Debt service - police Tahoes	-	24,000
Debt service - fire truck	-	60,000
Adoption trailer	-	42,000
Transfer out to Hotel/Motel Tax Fund	-	100,000
Total General Fund	1,138,555	626,000
TIRZ #7 Construction Fund		
TIRZ #7 Improvements	-	150,000
Debt Service Funds - Consolidation		
Transfer in from other funds	36,920	-
Close TIRZ #5 Debt Service Fund	-	1,142
Close TIRZ #6 Debt Service Fund	-	1,213
Close TIRZ #7 Debt Service Fund	-	1,246
Close 2016 CO Debt Service Fund	-	4,732
Close 2016 Tax Notes Debt Service Fund	-	3,851
Close 2017 CO Debt Service Fund	-	7,067
Close 2017 Refunding Bonds Debt Service Fund	-	8,876
Close 2017A Stormwater Bonds Fund	-	606
Close 2018 CO Debt Service Fund	-	4,436
Close 2019 CO Debt Service Fund	-	3,751
Total Debt Service Funds	36,920	36,920

Stormwater Fund		
Lamberth Road project budgeted in 2018-2019	-	100,000
Red River Law Enforcement Academy Fund		
Close Red River Law Enforcement Academy Fund	-	8,555
Parks Pride		
Donations	10,000	
Park Equipment		10,000
Hotel/Motel Tax Fund		
Transfer in from General Fund	100,000	-
Concerts	-	50,000
Airport Fund		
RAMP Grant	50,000	-
SkyTrust reimbursement	59,600	-
Airport fuel	-	25,000
Airport Master Plan Phase II	-	25,000
Airport hangars	-	109,600
Total Airport Fund	109,600	159,600
Health Fund		
Transfers to General, Utility and Solid Waste funds	-	1,550,000
Fleet Replacement Fund		
Insurance proceeds - sewer truck	153,000	-
Adoption trailer; police and fire debt service	126,000	-
Debt proceeds	933,000	-
Sewer truck replacement	-	189,000
Five Tahoes, fire truck and adoption trailer	-	840,000
Debt service - fire truck and Tahoes	-	84,000
Total Fleet Replacement Fund	1,212,000	1,113,000
Utility Fund		
Transfer in from Health Fund	280,000	-
Utility Improvement Fund		
GTUA reimbursements	1,300,000	-
Utility projects	-	2,100,000
Solid Waste Fund		
Transfer in from Health Fund	140,000	-
Residential disposal fees	-	125,000
Grand Total	$ 3,188,520	$ 6,029,075

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

PASSED AND APPROVED on this the _____ day of _____, 2020.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

City of Sherman
GENERAL FUND

	Adjusted Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 8,344,554**		**$ 8,344,554**	**$ 8,439,877**
Revenues				
Property Tax	11,591,600	-	11,591,600	11,058,200
Sales Tax	18,265,000	-	18,265,000	18,094,000
Franchise Tax	2,975,000	-	2,975,000	2,834,000
Other Taxes	161,200	-	161,200	160,940
Fines & Penalties	608,150	-	608,150	463,150
Recreation	334,000	-	334,000	37,900
Licenses & Permits	667,400	-	667,400	665,200
Rentals	41,450	-	41,450	31,295
Cemetery	216,100	-	216,100	216,000
Sales & Service	593,020	-	593,020	718,252
Ambulance Service	1,602,800	-	1,602,800	1,450,700
Interest Income	170,000	-	170,000	120,000
Grant Revenue	316,170	-	316,170	287,950
Intergovernmental	265,369	-	265,369	301,769
Miscellaneous Revenue	304,050	-	304,050	225,418
Total Revenues	**38,111,309**	**-**	**38,111,309**	**36,664,774**
Transfers In	3,019,000	1,138,555	4,157,555	4,157,555
Total Revenues and Transfers In	**41,130,309**	**1,138,555**	**42,268,864**	**40,822,329**
Total Funds Available	**49,474,863**	**1,138,555**	**50,613,418**	**49,262,206**
Expenditures				
Personnel	29,130,775	400,000	29,530,775	29,494,175
Supplies	1,622,711	-	1,622,711	1,615,707
Repair & Maintenance	1,814,215	-	1,814,215	1,729,857
Utilities	1,060,790	-	1,060,790	1,019,880
Information Technology	714,170	-	714,170	779,655
Services & Charges	2,960,614	-	2,960,614	2,948,100
Vehicle Usage	1,749,710	-	1,749,710	1,692,307
Capital Expenses	1,035,984	-	1,035,984	1,120,243
Fleet Services & Charges	795,950	126,000	921,950	921,183
Transfers Out	132,000	100,000	232,000	232,000
Total Expenditures	**41,016,919**	**626,000**	**41,642,919**	**41,553,106**
Excess Revenues over Expenditures	**113,390**	**512,555**	**625,945**	**(730,777)**
Ending Fund Balance	**$ 8,457,944**	**$ 512,555**	**$ 8,970,499**	**$ 7,709,100**

City of Sherman
TIRZ #7 CONSTRUCTION FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 12,365**		**$ 104,613**	**$ 104,613**
Revenues				
Property Tax	21,589	-	21,589	21,589
Intergovernmental	24,253	-	24,253	23,033
Interest Income	10,000	-	10,000	1,500
Debt Proceeds	-	-	-	-
Transfers In	132,000	-	132,000	132,000
Total Revenues	**187,842**	**-**	**187,842**	**178,122**
Total Funds Available	**200,207**		**282,735**	**282,735**
Expenditures				
Capital Expenses	-	150,000	150,000	150,000
Services & Charges	-	-	-	-
Transfers Out	159,200	-	159,200	159,200
Total Expenditures	**159,200**	**150,000**	**309,200**	**309,200**
Excess Revenues over Expenditures	**28,642**	**(150,000)**	**18,922**	**18,922**
Ending Fund Balance	**$ 41,007**	**$ (150,000)**	**$ 123,535**	**$ 123,535**

City of Sherman
DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget	Projected 2019-2020
Beginning Fund Balance	$ -		$ -	$ -
Revenues				
Property Tax	4,371,000	-	4,371,000	4,371,000
Sales Tax	269,440	-	269,440	269,440
Intergovernmental	253,369	-	253,369	-
Transfers In	1,217,600	36,920	1,254,520	1,254,520
Interest Income	-	-	-	500
Miscellaneous Revenue	-	-	-	422
Total Revenues	**6,111,409**	**36,920**	**6,148,329**	**5,895,882**
Total Funds Available	**6,111,409**	**36,920**	**6,148,329**	**5,895,882**
Expenditures				
Debt Service	5,804,480	-	5,804,480	5,804,480
Services & Charges	7,000	-	7,000	5,500
Total Expenditures	**5,811,480**	**-**	**5,811,480**	**5,809,980**
Excess Revenues over Expenditures	**299,929**	**36,920**	**336,849**	**85,902**
Ending Fund Balance	**$ 299,929**	**$ 36,920**	**$ 336,849**	**$ 85,902**

City of Sherman
TIRZ #5 DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 3,069		$ 3,069	$ 4,211
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	3,069	-	3,069	4,211
Expenditures				
Debt Service	-	-	-	-
Transfers Out	3,069	1,142	4,211	4,211
Total Expenditures	3,069	1,142	4,211	4,211
Excess Revenues over Expenditures	(3,069)	(1,142)	(4,211)	(4,211)
Ending Fund Balance	$ -	$ (1,142)	$ (1,142)	$ -

City of Sherman
TIRZ #6 DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 2,498		$ 2,498	$ 3,711
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	2,498	-	2,498	3,711
Expenditures				
Debt Service	-	-	-	-
Transfers Out	2,498	1,213	3,711	3,711
Total Expenditures	2,498	1,213	3,711	3,711
Excess Revenues over Expenditures	(2,498)	(1,213)	(3,711)	(3,711)
Ending Fund Balance	$ -	$ (1,213)	$ (1,213)	$ -

City of Sherman
TIRZ #7 DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 1,649		$ 1,649	$ 2,895
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	1,649	-	1,649	2,895
Expenditures				
Debt Service	-	-	-	-
Transfers Out	1,649	1,246	2,895	2,895
Total Expenditures	1,649	1,246	2,895	2,895
Excess Revenues over Expenditures	(1,649)	(1,246)	(2,895)	(2,895)
Ending Fund Balance	$ -	$ (1,246)	$ (1,246)	$ -

City of Sherman
2016 CO DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 5,977		$ 5,977	$ 10,709
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	5,977	-	5,977	10,709
Expenditures				
Debt Service	-	-	-	-
Transfers Out	5,977	4,732	10,709	10,709
Total Expenditures	5,977	4,732	10,709	10,709
Excess Revenues over Expenditures	(5,977)	(4,732)	(10,709)	(10,709)
Ending Fund Balance	$ -	$ (4,732)	$ (4,732)	$ -

City of Sherman
2016 TAX NOTES DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 9,033		$ 9,033	$ 12,884
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	9,033	-	9,033	12,884
Expenditures				
Debt Service	-	-	-	-
Transfers Out	9,033	3,851	12,884	12,884
Total Expenditures	9,033	3,851	12,884	12,884
Excess Revenues over Expenditures	(9,033)	(3,851)	(12,884)	(12,884)
Ending Fund Balance	$ -	$ (3,851)	$ (3,851)	$ -

City of Sherman
2017 CO DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 2,668		$ 2,668	$ 9,735
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	2,668	-	2,668	9,735
Expenditures				
Debt Service	-	-	-	-
Transfers Out	2,668	7,067	9,735	9,735
Total Expenditures	2,668	7,067	9,735	9,735
Excess Revenues over Expenditures	(2,668)	(7,067)	(9,735)	(9,735)
Ending Fund Balance	$ -	$ (7,067)	$ (7,067)	$ -

City of Sherman
2017 REFUNDING DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 50,389		$ 50,389	$ 59,265
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	50,389	-	50,389	59,265
Expenditures				
Debt Service	-	-	-	-
Transfers Out	50,389	8,876	59,265	59,265
Total Expenditures	50,389	8,876	59,265	59,265
Excess Revenues over Expenditures	(50,389)	(8,876)	(59,265)	(59,265)
Ending Fund Balance	$ -	$ (8,876)	$ (8,876)	$ -

City of Sherman
2017A CO DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 7,143		$ 7,143	$ 7,749
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	7,143	-	7,143	7,749
Expenditures				
Debt Service	-	-	-	-
Transfers Out	7,143	606	7,749	7,749
Total Expenditures	7,143	606	7,749	7,749
Excess Revenues over Expenditures	(7,143)	(606)	(7,749)	(7,749)
Ending Fund Balance	$ -	$ (606)	$ (606)	$ -

City of Sherman
2018 CO DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 4,941		$ 4,941	$ 9,377
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	4,941	-	4,941	9,377
Expenditures				
Debt Service	-	-	-	-
Transfers Out	4,941	4,436	9,377	9,377
Total Expenditures	4,941	4,436	9,377	9,377
Excess Revenues over Expenditures	(4,941)	(4,436)	(9,377)	(9,377)
Ending Fund Balance	$ -	$ (4,436)	$ (4,436)	$ -

City of Sherman
2019 CO DEBT SERVICE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ -		$ -	$ 3,751
Revenues				
Transfers In	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	-	-	-	3,751
Expenditures				
Debt Service	-	-	-	-
Transfers Out	-	3,751	3,751	3,751
Total Expenditures	-	3,751	3,751	3,751
Excess Revenues over Expenditures	-	(3,751)	(3,751)	(3,751)
Ending Fund Balance	$ -	$ (3,751)	$ (3,751)	$ -

City of Sherman
STORMWATER FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 1,553,318**		**$ 1,553,318**	**$ 1,912,476**
Revenues				
Sales & Service	435,000	-	435,000	443,000
Interest Income	45,000	-	45,000	30,000
Total Revenues	**480,000**	**-**	**480,000**	**473,000**
Total Funds Available	**2,033,318**	**-**	**2,033,318**	**2,385,476**
Expenditures				
Personnel	100,016	-	100,016	91,108
Supplies	4,109	-	4,109	4,109
Repair & Maintenance	53,000	-	53,000	53,000
Information Technology	1,160	-	1,160	1,260
Services & Charges	3,540	-	3,540	1,500
Capital Expenses	62,000	100,000	162,000	161,276
Transfers Out	261,582	-	261,582	261,582
Fleet Services & Charges	153,300	-	153,300	153,300
Total Expenditures	**638,707**	**100,000**	**738,707**	**727,135**
Excess Revenues over Expenditures	**(158,707)**	**(100,000)**	**(258,707)**	**(254,135)**
Ending Fund Balance	**$ 1,394,611**	**$ (100,000)**	**$ 1,294,611**	**$ 1,658,341**

City of Sherman
RED RIVER LAW ENFORCEMENT ACADEMY FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	$ 12,480		$ 12,480	$ 8,555
Revenues				
Sales & Service	-	-	-	-
Transfers In	-	-	-	-
Total Revenues	-	-	-	-
Total Funds Available	12,480	-	12,480	8,555
Expenditures				
Supplies	2,000	-	2,000	-
Transfers Out	-	8,555	8,555	8,555
Total Expenditures	2,000	8,555	10,555	8,555
Excess Revenues over Expenditures	(2,000)	(8,555)	(10,555)	(8,555)
Ending Fund Balance	$ 10,480	$ (8,555)	$ 1,925	$ -

City of Sherman
PARKS PRIDE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 26,072**		**$ 26,072**	**$ 17,532**
Revenues				
Miscellaneous Revenue	10,000	10,000	20,000	31,263
Interest Income	1,000	-	1,000	400
Total Revenues	**11,000**	**10,000**	**21,000**	**31,663**
Total Funds Available	**37,072**	**10,000**	**47,072**	**49,195**
Expenditures				
Services & Charges	35,000	10,000	45,000	45,000
Total Expenditures	**35,000**	**10,000**	**45,000**	**45,000**
Excess Revenues over Expenditures	**(24,000)**	**-**	**(24,000)**	**(13,337)**
Ending Fund Balance	**$ 2,072**	**$ -**	**$ 2,072**	**$ 4,195**

City of Sherman
HOTEL/MOTEL TAX FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ (18,134)**		**$ (18,134)**	**$ (28,642)**
Revenues				
Hotel-Motel Taxes	518,000	-	518,000	471,000
Fines & Penalties	-	-	-	-
Miscellaneous Revenue	10,000	-	10,000	-
Interest Income	700	-	700	50
Sales & Service	110,000	-	110,000	102,000
Rentals	39,000	-	39,000	23,000
Transfers In	-	100,000	100,000	100,000
Total Revenues	**677,700**	**100,000**	**777,700**	**696,050**
Total Funds Available	**659,566**	**100,000**	**759,566**	**667,408**
Expenditures				
Personnel	194,971	-	194,971	191,838
Supplies	21,150	-	21,150	12,575
Repair & Maintenance	10,500	-	10,500	63,400
Utilities	27,040	-	27,040	28,590
Information Technology	3,460	-	3,460	3,780
Services & Charges	309,750	50,000	359,750	315,478
Capital Expenses	9,000	-	9,000	9,000
Transfers Out	45,000	-	45,000	36,922
Total Expenditures	**620,871**	**50,000**	**670,871**	**661,583**
Excess Revenues over Expenditures	**56,829**	**50,000**	**106,829**	**34,467**
Ending Fund Balance	**$ 38,695**	**$ 50,000**	**$ 88,695**	**$ 5,825**

City of Sherman
MUNICIPAL AIRPORT FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 77,120**		**$ 77,120**	**$ 227,152**
Revenues				
Interest Income	3,500	-	3,500	3,500
Rentals	43,400	-	43,400	50,700
Sales & Service	355,000	-	355,000	340,000
Miscellaneous Revenue	-	59,600	59,600	59,600
Intergovernmental	-	50,000	50,000	50,000
Total Revenues	**401,900**	**109,600**	**511,500**	**503,800**
Total Funds Available	**479,020**	**109,600**	**588,620**	**730,952**
Expenditures				
Supplies	310,250	25,000	335,250	306,200
Repair & Maintenance	8,995	-	8,995	9,787
Services & Charges	122,417	25,000	147,417	150,412
Utilities	11,830	-	11,830	9,630
Capital Expenses	-	109,600	109,600	109,600
Total Expenditures	**453,492**	**159,600**	**613,092**	**585,629**
Excess Revenues over Expenditures	**(51,592)**	**(50,000)**	**(101,592)**	**(81,829)**
Ending Fund Balance	**$ 25,528**	**$ (50,000)**	**$ (24,472)**	**$ 145,323**

City of Sherman
EMPLOYEE INSURANCE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 256,261**	**$ -**	**$ 256,261**	**$ 691,865**
Revenues				
Employer Contributions	4,783,471	-	4,783,471	5,278,983
Employee Contributions	930,000	-	930,000	980,000
Retiree Contributions	180,000	-	180,000	215,000
COBRA Contributions	10,000	-	10,000	-
Interest Income	20,000	-	20,000	12,000
Total Revenues	**5,923,471**	**-**	**5,923,471**	**6,485,983**
Total Funds Available	**6,179,732**	**-**	**6,179,732**	**7,177,848**
Expenditures				
Health Insurance Claims	5,200,000	-	5,200,000	4,330,000
Administration & Premiums	908,000	-	908,000	1,040,000
Life Insurance Premiums	37,989	-	37,989	43,566
Transfers Out	-	1,550,000	1,550,000	1,550,000
Total Expenditures	**6,145,989**	**1,550,000**	**7,695,989**	**6,963,566**
Excess Revenues over Expenditures	**(222,518)**	**(1,550,000)**	**(1,772,518)**	**(477,583)**
Ending Fund Balance	**$ 33,743**	**$ (1,550,000)**	**$ (1,516,257)**	**$ 214,282**

City of Sherman
FLEET REPLACEMENT INSURANCE FUND

	Adjusted Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 344,424**		**$ 344,424**	**$ 307,828**
Revenues				
Fleet Replacement Revenue	1,931,803	126,000	2,057,803	2,207,036
Interest Income	20,000	-	20,000	5,500
Debt Proceeds	-	933,000	933,000	931,453
Miscellaneous Revenue	-	153,000	153,000	153,000
Total Revenues	**1,951,803**	**1,212,000**	**3,163,803**	**3,296,989**
Total Funds Available	**2,296,227**	**1,212,000**	**3,508,227**	**3,604,817**
Expenditures				
Debt Service	592,519	84,000	676,519	676,500
Capital Expenses	1,970,636	1,029,000	2,999,636	2,903,000
Total Expenditures	**2,563,155**	**1,113,000**	**3,676,155**	**3,579,500**
Excess Revenues over Expenditures	**(611,352)**	**99,000**	**(512,352)**	**(282,511)**
Ending Fund Balance	**$ (266,928)**	**$ 99,000**	**$ (167,928)**	**$ 25,317**

City of Sherman
UTILITY FUND

	Adjusted Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 4,984,976**		**$ 4,984,976**	**$ 5,509,055**
Revenues				
Water Sales	14,185,000	-	14,185,000	14,326,000
Sewer Sales	7,747,000	-	7,747,000	7,663,000
Laboratory	141,500	-	141,500	145,000
Service Charges & Penalties	550,000	-	550,000	532,000
Charges for Services	159,500	-	159,500	154,600
Interest Income	65,000	-	65,000	40,000
Intergovernmental	427,783	-	427,783	409,783
Miscellaneous Revenue	92,000	-	92,000	192,600
Total Revenues	**23,367,783**	**-**	**23,367,783**	**23,462,983**
Transfers In	214,000	280,000	494,000	494,000
Total Revenues and Transfers In	**23,581,783**	**280,000**	**23,861,783**	**23,956,983**
Total Funds Available	**28,566,759**	**280,000**	**28,846,759**	**29,466,038**
Expenditures				
Personnel	6,568,963	-	6,568,963	6,547,042
Supplies	1,763,558	-	1,763,558	1,483,687
Repair & Maintenance	1,834,282	-	1,834,282	2,527,958
Utilities	1,667,890	-	1,667,890	1,709,160
Information Technology	212,000	-	212,000	231,460
Debt Service	7,758,867	-	7,758,867	7,163,239
Services & Charges	1,739,754	-	1,739,754	1,808,180
Vehicle Usage	426,620	-	426,620	471,772
Fleet Services & Charges	132,553	-	132,553	132,553
Capital Expenses	279,415	-	279,415	267,307
Total Expenditures	**22,383,902**	**-**	**22,383,902**	**22,342,357**
Transfers Out	2,179,000		2,179,000	2,179,000
Total Expenditures and Transfers Out	**24,562,902**	**-**	**24,562,902**	**24,521,357**
Excess Revenues over Expenditures	**(981,119)**	**280,000**	**(701,119)**	**(564,374)**
Ending Reserve	**$ 4,003,857**	**$ 280,000**	**$ 4,283,857**	**$ 4,944,681**

City of Sherman
UTILITY IMPROVEMENT FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 256,497**		**$ 256,497**	**$ 1,272,631**
Revenues				
Intergovernmental	400,000	1,300,000	1,700,000	1,700,000
Interest Income	25,000	-	25,000	25,000
Total Revenues	**425,000**	**1,300,000**	**1,725,000**	**1,725,000**
Total Funds Available	**681,497**	**1,300,000**	**1,981,497**	**2,997,631**
Expenditures				
Capital Expenses	450,000	2,100,000	2,550,000	2,547,000
Total Expenditures	**450,000**	**2,100,000**	**2,550,000**	**2,547,000**
Excess Revenues over Expenditures	**(25,000)**	**(800,000)**	**(825,000)**	**(822,000)**
Ending Fund Balance	**$ 231,497**	**$ (800,000)**	**$ (568,503)**	**$ 450,631**

City of Sherman
SOLID WASTE FUND

	Budget 2019-2020	Amendment	Amended Budget 2019-2020	Projected 2019-2020
Beginning Fund Balance	**$ 829,730**		**$ 829,730**	**$ 809,463**
Revenues				
Solid Waste Service	7,277,000	-	7,277,000	6,992,000
Service Charges & Penalties	70,000	-	70,000	84,000
Interest Income	10,000	-	10,000	800
Miscellaneous Revenue	422,000	-	422,000	1,024,500
Transfers In	-	140,000	140,000	140,000
Total Revenues and Transfers In	**7,779,000**	**140,000**	**7,919,000**	**8,241,300**
Total Funds Available	**8,608,730**	**140,000**	**8,748,730**	**9,050,763**
Expenditures				
Personnel	2,024,936	-	2,024,936	2,025,801
Supplies	277,612	-	277,612	305,789
Repair & Maintenance	71,812	-	71,812	80,904
Utilities	27,500	-	27,500	29,840
Information Technology	51,840	-	51,840	56,600
Services & Charges	2,167,410	125,000	2,292,410	2,199,661
Vehicle Usage	1,123,590	-	1,123,590	1,068,740
Capital Expenses	-	-	-	22,560
Fleet Services & Charges	850,000	-	850,000	850,000
Transfers Out	1,054,000	-	1,054,000	1,054,000
Total Expenditures and Transfers Out	**7,648,700**	**125,000**	**7,773,700**	**7,693,895**
Excess Revenues over Expenditures	**130,300**	**15,000**	**145,300**	**547,405**
Ending Reserve	**$ 960,030**	**$ 15,000**	**$ 975,030**	**$ 1,356,868**

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 5.**

Meeting Date: 09/21/2020

Prepared By: Terrence Steele, Assistant City Manager

Approved By: Robby Hefton, City Manager

Caption:

**** RESOLUTION NO. 6654***

Authorizing the City Manager to Execute a Contract with The Sherman Museum for Expenditure of a Portion of the Funds Collected by the City of the Hotel-Motel Occupancy Tax

Issue:

To distribute a portion of the Hotel-Motel Occupancy Tax funds received by the City of Sherman to The Sherman Museum (Museum)

Background:

Staff recommends that the City enter into a twelve (12) month contract with the Museum to cover the period from October 1, 2020, through September 30, 2021. The proposed funding level maintains the Museum's quarterly support at $12,500.00, an annual contribution of $50,000.00. The contract includes an option for an additional $20,000.00 to be paid during the contract period for operating expenses only upon proof of the Museum's matching $20,000.00. These contract terms are unchanged from the current (fiscal year 2019-2020) contract with the Museum.

Origination:

City Manager's Office

Financial Consideration:

The proposed contract provides for payment of $12,500.00 per quarter for the fiscal year 2020-2021 budget, a total allocation of $50,000.00 from the Hotel-Motel Occupancy Tax Fund revenues, as well as an option for an additional $20,000.00 matching amount.

Staff Recommendation:

The staff recommends granting the City Manager authority to execute a contract with The Sherman Museum in the funding amount established by the Council.

Alternatives:

As directed by the City Council

Attachments

Resolution No. 6654
Contract between City of Sherman and The Sherman Museum
Exhibit "A" - Texas Tax Code Section 351.101
Aerial Location Map

RESOLUTION NO. 6654

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE SHERMAN MUSEUM FOR EXPENDITURE OF A PORTION OF THE FUNDS COLLECTED BY THE CITY OF THE HOTEL-MOTEL OCCUPANCY TAX; 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 351 of the Texas Tax Code authorizes the City to collect and levy an occupancy tax on hotels and motels; and

WHEREAS, said Chapter specifies the purposes for which such tax receipts may be utilized; and

WHEREAS, such stated purposes include the promotion of tourism, the advertisement of the City and its vicinity, and the promotion and improvement of the arts and humanities within the community;

NOW, THEREFORE, 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 and subject to budget approval, to execute a contract with The Sherman Museum, with Exhibit "A" attached, in accordance with the terms and provisions of all contract documents attached hereto and made a part hereof for all purposes.

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

PASSED AND APPROVED on this the _____ day of _____, 2020.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

CONTRACT BETWEEN
CITY OF SHERMAN AND THE SHERMAN MUSEUM

THIS CONTRACT is made and entered by and between the **CITY OF SHERMAN,** a municipal corporation of the State of Texas (hereinafter called "CITY"), and **THE SHERMAN MUSEUM,** a non-profit corporation of the State of Texas (hereinafter called "MUSEUM"), for the limited purpose of providing funds to the MUSEUM for a twelve (12) month period.

WHEREAS, Chapter 351 of the Texas Tax Code authorizes a city to levy and collect an occupancy tax on hotels and motels; and

WHEREAS, CITY levies and collects a tax equal to seven percent (7%) of the consideration paid by occupants of hotels and motels; and

WHEREAS, CITY desires to promote tourism, advertise the city and its vicinity, and promote and improve the arts within the community by participating and assisting in the operation of the Museum; and

WHEREAS, MUSEUM shall consist of the property located at 301 and 303 South Walnut Street in the City of Sherman, Grayson County, Texas;

NOW, THEREFORE, in consideration of the mutual covenants and the payments herein, the CITY and MUSEUM agree as follows:

I.

During the period of October 1, 2020, through September 30, 2021, the CITY agrees to pay to MUSEUM Fifty Thousand Dollars and No Cents ($50,000.00) collected under the Hotel/Motel Occupancy Tax of the CITY; and MUSEUM agrees that all funds are to be used entirely for the operation and maintenance of the MUSEUM. The Fifty Thousand Dollars and No Cents ($50,000.00) paid to the MUSEUM for the time period of October 1, 2020, through September 30, 2021, represents the entire amount budgeted for this purpose by the CITY for the

fiscal year 2020-2021. The Fifty Thousand Dollars and No Cents ($50,000.00) shall be paid in four (4) installments on the final execution of this Contract: November 15, 2020, January 15, and April 15, and June 15, 2021. Payments will be based on actual operation and maintenance expenditures and made strictly on a reimbursement basis. Reimbursement will be based on copies of actual invoices or other proof of payment as requested by the CITY. At that time, the MUSEUM shall also provide an explanation of how the expenditure of such monies complied with Section 351.101 of the Texas Tax Code.

Further, during the term of this agreement, the CITY agrees to provide up to an additional Twenty Thousand Dollars and No Cents ($20,000.00) of funds collected under the City's Hotel/Motel Occupancy Tax as a match to any funds collected by the MUSEUM, said matching funds to be used by the MUSEUM strictly for operating expenses and paid upon a reimbursement basis.

Operations of the MUSEUM are to include the administration of all personnel associated with the MUSEUM, the management of all fund-raising activities in connection with the MUSEUM, the selection, preparation, and display of exhibits of artifacts, the interface with members of the general public concerning all matters related to the MUSEUM, and any other duties that could reasonably be construed as the operation of the MUSEUM.

II.

MUSEUM agrees that any money received under this Contract will only be used for purposes specified in Chapter 351 of the Texas Tax Code and MUSEUM will not use any money received in this Contract in any manner that does not strictly comply with the requirements, intent, and purposes as set forth in the Texas Tax Code, Chapter 351, Section 351.101(a)(1)-(7), as amended, and such statutorily authorized administrative expenses, together with the Texas

Attorney General opinions interpreting Section 351.101 of the Texas Tax Code. A copy of Section 351.101 of the Texas Tax Code is attached as Exhibit "A" and incorporated into this Contract for all purposes. Specifically, MUSEUM agrees to use such hotel tax revenues solely for the purposes of promoting tourism and the convention and hotel industry and will use the revenues solely for the permissible uses listed in Section 351.101(a) of the Texas Tax Code.

III.

MUSEUM represents that it has prepared a proposed budget to be administered under this Contract to the Sherman City Council for the fiscal year of 2020-2021. The MUSEUM shall furnish CITY quarterly financial reports which show all actual expenditures whether those expenditures are budgeted or not from records maintained pursuant to Section 351.108(a) of the Texas Tax Code. The report shall compare actual expenditures to budgeted expenditures and to actual expenditures from the prior year. The report shall also provide an explanation of how the expenditure of such monies complied with Section 351.101 of the Texas Tax Code.

The MUSEUM shall also provide a quarterly report of activities promoting tourism and the convention and hotel industry to CITY. Each quarterly financial report and each quarterly report of activities shall be presented to the office of the City Manager no later than the end of the month immediately following each calendar quarter. Further, the MUSEUM shall provide to CITY a copy of Form 990 submitted to the Internal Revenue Service.

IV.

It is understood and agreed that this Contract is intended for the purpose of providing an agency for the administration of funds collected by the CITY under the provisions of the Hotel-Motel Occupancy Tax Ordinance of said CITY, and that CITY retains its legislative prerogative to alter, repeal, or otherwise amend such ordinance at any time.

V.

MUSEUM agrees and covenants that, in the event of a breach by MUSEUM of any of the covenants contained herein as determined by CITY in its sole discretion, CITY may, at its option, declare this Contract immediately forfeited and terminated as to the balance of the terms thereof.

VI.

The parties agree that the term of this Contract is for October 1, 2020 through September 30, 2021.

VII.

Notwithstanding the above, CITY and MUSEUM retain the right to cancel this Contract at any time, with or without cause and without liability or expense, by the giving of twenty (20) days' notice of such intention to cancel. Notice to cancel by CITY shall be in writing, signed by the City Manager with prior City Council approval. Notice to cancel by MUSEUM shall be in writing, signed by the MUSEUM President with prior MUSEUM Board of Directors approval. CITY and MUSEUM shall consider renewal of this Contract in subsequent years. MUSEUM agrees to provide a plan of work in conjunction with any request to renew this Contract.

VIII.

This is a negotiated Contract. If any part of this Contract is in dispute, the parties stipulate that the Contract shall not be construed more favorably for either party.

This Contract may not be changed, varied, or altered except by an instrument in writing and duly executed on behalf of CITY and by MUSEUM. Every obligation arising from this Contract shall be performable in Grayson County, Texas. Venue for any legal disputes arising from this Contract shall be Grayson County, Texas and governed by the laws of the State of Texas.

IN TESTIMONY WHEREOF, this instrument, in duplicate originals of equal force, has been executed on behalf of THE SHERMAN MUSEUM and on behalf of the CITY OF SHERMAN by its City Manager and attested by its City Clerk, effective on the 1st day of October, 2020.

CITY OF SHERMAN, TEXAS

BY: _____
ROBBY HEFTON
CITY MANAGER

DATE: _____

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

THE SHERMAN MUSEUM,
A NON-PROFIT CORPORATION

BY: _____
PRESIDENT OF THE BOARD
OF TRUSTEES

DATE: _____

Exhibit "A"

TAX CODE
TITLE 3. LOCAL TAXATION
SUBTITLE D. LOCAL HOTEL OCCUPANCY TAXES
CHAPTER 351. MUNICIPAL HOTEL OCCUPANCY TAXES
SUBCHAPTER B. USE AND ALLOCATION OF REVENUE

Sec. 351.101. USE OF TAX REVENUE.

(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

(1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;

(2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

(3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

(4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;

(5) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:

(A) at or in the immediate vicinity of convention center facilities or visitor information centers; or

(B) located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates;

(6) expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity if:

(A) the municipality is located in a county with a population of one million or less;

(B) the municipality has a population of more than 67,000 and is located in two counties with 90 percent of the municipality's territory located in a county with a

population of at least 580,000, and the remaining territory located in a county with a population of at least four million; or

(C) the municipality has a population of at least 200,000 and shares a border with:

(i) a municipality described by Section 351.102(e)(7); and
(ii) Lake Ray Hubbard;

(7) subject to Section 351.1076, the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if:

(A) the municipality owns the facilities or fields;

(B) the municipality:

(i) has a population of 80,000 or more and is located in a county that has a population of 350,000 or less;

(ii) has a population of at least 75,000 but not more than 95,000 and is located in a county that has a population of less than 200,000 but more than 160,000;

(iii) has a population of at least 36,000 but not more than 39,000 and is located in a county that has a population of 100,000 or less that is not adjacent to a county with a population of more than two million;

(iv) has a population of at least 13,000 but less than 39,000 and is located in a county that has a population of at least 200,000;

(v) has a population of at least 70,000 but less than 90,000 and no part of which is located in a county with a population greater than 150,000;

(vi) is located in a county that:

(a) is adjacent to the Texas-Mexico border;

(b) has a population of at least 500,000; and

(c) does not have a municipality with a population greater than 500,000;

(vii) has a population of at least 25,000 but not more than 26,000 and is located in a county that has a population of 90,000 or less;

(viii) is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located;

(ix) has a population of at least 40,000 and the San Marcos River flows through the municipality;

(x) has a population of more than 67,000 and is located in two counties with 90 percent of the municipality's territory located in a county with a population of at least 580,000, and the remaining territory located in a county with a population of at least four million;

(xi) contains an intersection of Interstates 35E and 35W and at least two public universities; or

(xii) is described by Subdivision (6)(C); and

(C) the sports facilities and fields have been used, in the preceding calendar year, a combined total of more than 10 times for district, state, regional, or national sports tournaments;

(8) for a municipality with a population of at least 70,000 but less than 90,000, no part of which is located in a county with a population greater than 150,000, the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility;

(9) signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality;

(10) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility, if the municipality:

(A) has a population of at least 90,000 but less than 120,000; and

(B) is located in two counties, at least one of which contains the headwaters of the San Gabriel River; and

(11) for a municipality with a population of more than 175,000 but less than 225,000 that is located in two counties, each of which has a population of less than 200,000, the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of a coliseum or multiuse facility and related infrastructure or a venue, as defined by Section 334.001(4), Local Government Code, that is related to the promotion of tourism.

(b) Revenue derived from the tax authorized by this chapter shall be expended in a manner directly enhancing and promoting tourism and the convention and hotel industry as permitted by Subsection (a). That revenue may not be used for the general revenue purposes or general governmental operations of a municipality.

(c) The governing body of a municipality by contract may delegate to a person, including another governmental entity or a private organization, the management or supervision of programs and activities funded with revenue from the tax authorized by this chapter. The governing body in writing shall approve in advance the annual budget of the person to which it delegates those functions and shall require the

person to make periodic reports to the governing body at least quarterly listing the expenditures made by the person with revenue from the tax authorized by this chapter. The person must maintain revenue provided from the tax authorized by this chapter in a separate account established for that purpose and may not commingle that revenue with any other money. The municipality may not delegate to any person the management or supervision of its convention and visitors programs and activities funded with revenue from the tax authorized by this chapter other than by contract as provided by this subsection. The approval by the governing body of the municipality of the annual budget of the person to whom the governing body delegates those functions creates a fiduciary duty in the person with respect to the revenue provided by the tax authorized by this chapter.

(d) A person with whom a municipality contracts under this section to conduct an activity authorized by this section shall maintain complete and accurate financial records of each expenditure of hotel occupancy tax revenue made by the person and, on request of the governing body of the municipality or other person, shall make the records available for inspection and review to the governing body or other person.

(e) Hotel occupancy tax revenue spent for a purpose authorized by this section may be spent for day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs only if those administrative costs are incurred directly in the promotion and servicing expenditures authorized under Section 351.101(a). If a municipal or other public or private entity that conducts an activity authorized under this section conducts other activities that are not authorized under this section, the portion of the total administrative costs of the entity for which hotel occupancy tax revenue may be used may not exceed the portion of those administrative costs actually incurred in conducting the authorized activities.

(f) Municipal hotel occupancy tax revenue may not be spent for travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of tourism and the convention and hotel industry or the performance of the person's job in an efficient and professional manner.

(g) This section does not prohibit a person that receives a grant from a municipality to conduct an activity authorized by Subsection (a)(4) from making a grant by contract to another person to conduct an activity authorized by that subdivision. A person that receives a grant from a grantee of the municipality under this subsection shall:

(1) at least annually submit a report of the person's expenditures of funds received from the grantee to the governing body of the municipality; and

(2) make records of those expenditures available for review to the governing body of the municipality and any other person.

(g-1) A municipality may not require a person that receives funds directly from the municipality through a grant to conduct an activity authorized by Subsection (a)(4) to waive a right guaranteed by law to the person or to enter into an agreement with another person.

(h) In addition to the uses authorized by Subsection (a), a municipality described by Subsection (a)(7)(B)(viii), as added by Chapter 546 (S.B. 585), Acts of the 83rd Legislature, Regular Session, 2013, may use revenue derived from the tax authorized by this chapter to promote tourism and the convention and

hotel industry by constructing, maintaining, or expanding a sporting-related facility owned by the municipality if:

(1) the majority of the events at the facility involve participants staying at hotels in the municipality; and

(2) for a fiscal year, the municipality does not reduce the amount of that revenue that it uses for a purpose described by Subsection (a)(3) to an amount that is less than the lesser of:

(A) the amount of that revenue used by the municipality for that purpose during the municipality's 2015 fiscal year; or

(B) the total amount of that revenue received in the fiscal year.

(i) In addition to the purposes provided by Subsection (a), a municipality that has a population of at least 75,000 but not more than 95,000 and that is located in a county that has a population of more than 160,000 but less than 200,000 may use revenue from the municipal hotel tax to promote tourism and the convention and hotel industry by constructing, operating, or expanding a sporting related facility or sports field owned by the municipality, if the majority of the events at the facility or field are directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels in the municipality.

(j) In addition to the purposes provided by Subsection (a), a municipality that has a population of not more than 5,000 and at least part of which is located less than one-eighth of one mile from a space center operated by an agency of the federal government may use revenue from the municipal hotel occupancy tax for expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity.

(k) In addition to other authorized uses, a municipality that is intersected by both State Highways 71 and 95 may use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field as specified by Subsection (a)(7), provided that the requirements of Subsections (a)(7)(A) and (C) are met.

(m) In addition to the uses authorized by Subsections (a) and (e), and notwithstanding any provision of this chapter to the contrary, a municipality with a population of 6,500 or less that has at least 800 hotel rooms within the corporate boundaries of the municipality and that is located in a county adjacent to a county with a population of 3.3 million or more may use revenue derived from the tax authorized by this chapter to directly enhance and promote tourism and the convention and hotel industry by acquiring sites for and constructing, improving, enlarging, equipping, repairing, operating, and maintaining a municipally owned:

(1) convention center facility;

(2) sports-related facility with seating for at least 4,500 people that is used or is planned for use for one or more professional or amateur sports events or other events, including rodeos, livestock shows, and performing arts events;

(3) multiuse facility that includes facilities described by Subdivisions (1) and (2); and

(4) related infrastructure for a facility described by Subdivision (1), (2), or (3), as that term is defined by Section 334.001(3), Local Government Code, for a venue.

(m-1) A municipality described by Subsection (m) that issues obligations secured wholly or partly by revenue derived from the tax authorized by this chapter for a use described by that subsection may use that revenue for those uses as long as the obligations are outstanding even if the municipality is no longer a municipality described by that subsection.

(n) In addition to other authorized uses, a municipality that has a population of not more than 1,500 and is located in a county that borders Arkansas and Louisiana may use revenue from the municipal hotel occupancy tax for the promotion of tourism by the enhancement and upgrading of an existing sports facility or field as specified by Subsection (a)(7), provided that the requirements of Subsections (a)(7)(A) and (C) and Section 351.1076 are met.

(o) In addition to the purposes provided by Subsection (a), a municipality that has a population of not more than 10,000, that contains an outdoor gear and sporting goods retailer with retail space larger than 175,000 square feet, and that hosts an annual wiener dog race may use revenue from the municipal hotel occupancy tax to promote tourism and the convention and hotel industry by constructing, operating, or expanding a sporting related facility or sports field owned by the municipality, if the majority of the events at the facility or field are directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels in the municipality. If a municipality to which this subsection applies uses revenue derived from the municipal hotel occupancy tax for a purpose described by this subsection, the municipality may not reduce the percentage of revenue from that tax allocated for a purpose described by Subsection (a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using the revenue for a purpose described by this subsection.

Text of subsection as added by Acts 2019, 86th Leg., R.S., Ch. 351 (H.B. 3356), Sec. 1

(q) In addition to the purposes provided by Subsection (a), a municipality with a population of more than 48,000 but less than 95,000 that is located in two counties, one of which has a population of at least 900,000 but less than 1.7 million, may use revenue from the municipal hotel occupancy tax to promote tourism and the convention and hotel industry by constructing, improving, equipping, repairing, maintaining, operating, or expanding a coliseum or multiuse facility if the majority of the events at the coliseum or facility attract tourists who substantially increase economic activity at hotels in the municipality.

Text of subsection as added by Acts 2019, 86th Leg., R.S., Ch. 998 (H.B. 1634), Sec. 1

(q) In addition to the purposes provided by Subsections (a) and (e), a municipality with a population of more than 10,000 that has a city hall located less than three miles from a space center operated by an agency of the federal government and that is wholly located in a county with a population of four million or more may use revenue from the hotel occupancy tax for the construction, improvement, enlarging, equipping, renovating, repairing, operation, and maintenance of a coliseum or multiuse facility and related infrastructure or a venue, as defined by Section 334.001(4), Local Government Code, that is related

to the promotion of tourism, including a hotel, resort, or convention center facility located on land owned by the municipality or a nonprofit corporation acting on behalf of the municipality.

Added by Acts 1987, 70th Leg., ch. 191, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 14.24(a), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 1110, Sec. 4, eff. Oct. 1, 1989; Acts 1993, 73rd Leg., ch. 680, Sec. 3, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 1027, Sec. 1, eff. Aug. 28, 1995; Acts 2001, 77th Leg., ch. 755, Sec. 1, eff. June 13, 2001; Acts 2001, 77th Leg., ch. 1308, Sec. 3, eff. June 16, 2001; Acts 2003, 78th Leg., ch. 209, Sec. 90, eff. Oct. 1, 2003; Acts 2003, 78th Leg., ch. 303, Sec. 1, eff. June 18, 2003.

Amended by:
Acts 2005, 79th Leg., Ch. 1247 (H.B. 1734), Sec. 1, eff. June 18, 2005.
Acts 2007, 80th Leg., R.S., Ch. 1144 (S.B. 765), Sec. 1, eff. June 15, 2007.
Acts 2009, 81st Leg., R.S., Ch. 402 (H.B. 1789), Sec. 1, eff. June 19, 2009.
Acts 2009, 81st Leg., R.S., Ch. 1220 (S.B. 1247), Sec. 3(a), eff. June 19, 2009.
Acts 2009, 81st Leg., R.S., Ch. 1322 (H.B. 3098), Sec. 1, eff. June 19, 2009.
Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 23.004, eff. September 1, 2011.
Acts 2011, 82nd Leg., R.S., Ch. 247 (H.B. 970), Sec. 1, eff. June 17, 2011.
Acts 2011, 82nd Leg., R.S., Ch. 764 (H.B. 1690), Sec. 1, eff. June 17, 2011.
Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 120, eff. September 1, 2011.
Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 19.012, eff. September 1, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 541 (S.B. 551), Sec. 1, eff. June 14, 2013.
Acts 2013, 83rd Leg., R.S., Ch. 546 (S.B. 585), Sec. 1, eff. June 14, 2013.
Acts 2015, 84th Leg., R.S., Ch. 663 (H.B. 3595), Sec. 1, eff. June 17, 2015.
Acts 2015, 84th Leg., R.S., Ch. 665 (H.B. 3629), Sec. 1, eff. June 17, 2015.
Acts 2015, 84th Leg., R.S., Ch. 666 (H.B. 3772), Sec. 1, eff. June 17, 2015.
Acts 2015, 84th Leg., R.S., Ch. 970 (H.B. 1585), Sec. 1, eff. September 1, 2015.
Acts 2015, 84th Leg., R.S., Ch. 979 (H.B. 3615), Sec. 1, eff. June 19, 2015.
Acts 2015, 84th Leg., R.S., Ch. 979 (H.B. 3615), Sec. 2, eff. June 19, 2015.
Acts 2017, 85th Leg., R.S., Ch. 53 (S.B. 1365), Sec. 1, eff. May 22, 2017.
Acts 2017, 85th Leg., R.S., Ch. 267 (H.B. 1896), Sec. 4, eff. September 1, 2017.
Acts 2017, 85th Leg., R.S., Ch. 324 (S.B. 1488), Sec. 17.003, eff. September 1, 2017.
Acts 2017, 85th Leg., R.S., Ch. 453 (S.B. 942), Sec. 1, eff. June 9, 2017.
Acts 2017, 85th Leg., R.S., Ch. 652 (S.B. 2166), Sec. 1, eff. June 12, 2017.
Acts 2017, 85th Leg., R.S., Ch. 785 (H.B. 2445), Sec. 5, eff. June 15, 2017.
Acts 2017, 85th Leg., R.S., Ch. 785 (H.B. 2445), Sec. 6, eff. June 15, 2017.
Acts 2019, 86th Leg., R.S., Ch. 351 (H.B. 3356), Sec. 1, eff. June 2, 2019.
Reenacted and amended by Acts 2019, 86th Leg., R.S., Ch. 405 (S.B. 1262), Sec. 1, eff. September 1, 2019.

Amended by:
Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. 4170), Sec. 14.003, eff. September 1, 2019.
Acts 2019, 86th Leg., R.S., Ch. 998 (H.B. 1634), Sec. 1, eff. June 14, 2019.

Sherman
ENGINEERING DEPT.
220 W. MULBERRY
SHERMAN, TX 75090

301 & 305 S Walnut

1 inch = 50 feet

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 6.**

Meeting Date: 09/21/2020
Prepared By: Terrence Steele, Assistant City Manager
Approved By: Robby Hefton, City Manager

Caption:

**** RESOLUTION NO. 6655***

Revoking and Replacing Resolution No. 6536; Establishing Salary Structures and Incentive/Certification Pay Schedules for Firefighters and Police Officers; Establishing Special Longevity Pay Schedules for Newly Hired Firefighters and Police Officers; Providing for an Effective Date

Issue:

The City Council is required by state law to establish salary structures and incentive/certification pay schedules for members of the classified service.

Background:

The City Council has authorized base salary, certification pay, and incentive pay for certain positions within the Police and Fire Departments. This resolution implements Police Department market salary adjustments, incentive pay, and certification pay for fiscal year 2020-2021 (FY2021), costs of which were approved by Council during the FY2021 budget development process.

Origination:

Mayor and City Council
City Manager

Financial Consideration:

Funds are available in the FY2021 budget for these pay amounts for Police Department personnel.

Staff Recommendation:

Staff recommends approval of the resolution.

Alternatives:

The City Council could choose not to approve the resolution, leaving unchanged the fire and police pay schedules adopted on September 16, 2019 by Resolution No. 6536.

Attachments

Resolution No. 6655
Redlined Version of Resolution
Resolution No. 6536 approved at the September 16, 2019 City Council Meeting

RESOLUTION NO. 6655

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REVOKING AND REPLACING RESOLUTION NO. 6536; ESTABLISHING SALARY STRUCTURES AND INCENTIVE/ CERTIFICATION PAY SCHEDULES FOR FIREFIGHTERS AND POLICE OFFICERS; ESTABLISHING SPECIAL LONGEVITY PAY SCHEDULES FOR NEWLY HIRED FIREFIGHTERS AND POLICE OFFICERS; PROVIDING FOR AN EFFECTIVE DATE; 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 Resolution No. 6536, passed and approved on the 16th day of September, 2019, is hereby revoked.

SECTION 2. That, from and after the effective date of the 1st day of October, 2020, the following salary structures and incentive/certification pay schedules will be adopted for the Sherman Fire Department and the Sherman Police Department:

FIRE DEPARTMENT CLASSIFICATION	MONTHLY BASE SALARY	MONTHLY STEP PAY	TOTAL
FIREFIGHTER			
Entry	$4,288.26	N/A	$4,288.26
1 Year	$4,288.26	$441.84	$4,730.11
2 Year	$4,288.26	$507.24	$4,795.50
3 Year	$4,288.26	$572.62	$4,860.89
4 Year	$4,288.26	$632.73	$4,920.99
5 Year	$4,288.26	$775.19	$5,063.45
ENGINEER			
Entry	$5,458.82	N/A	$5,458.82
1 Year	$5,458.82	$68.73	$5,527.55
2 Year	$5,458.82	$138.01	$5,596.83
CAPTAIN			
Entry	$6,114.36	N/A	$6,114.36
1 Year	$6,114.36	$75.68	$6,190.04
BATTALION CHIEF			
Entry	$6,741.24	N/A	$6,741.24
1 Year	$6,741.24	$108.51	$6,849.75

DIVISION CHIEF	$7,628.59	N/A	$7,628.59
ASSISTANT CHIEF	$8,451.94	N/A	$8,451.94
POLICE DEPARTMENT CLASSIFICATION	**MONTHLY BASE SALARY**	**MONTHLY STEP PAY**	**TOTAL**
PATROLMAN			
Entry – Non-Certified	$4,455.54	N/A	$4,455.54
1 Year	$4,455.54	$132.17	$4,587.71
2 Year	$4,455.54	$328.76	$4,784.30
3 Year	$4,455.54	$748.63	$5,204.17
4 Year	$4,455.54	$917.46	$5,373.00
5 Year	$4,455.54	$1,094.63	$5,550.17
6 Year	$4,455.54	$1,279.13	$5,734.67
7 Year	$4,455.54	$1,279.13	$5,898.30
CORPORAL			
Entry	$6,084.58	N/A	$6,084.58
1 Year	$6,084.58	$41.67	$6,126.25
2 Year	$6,084.58	$83.34	$6,167.92
3 Year	$6,084.58	$125.00	$6,209.58
SERGEANT			
Entry	$6,543.25	N/A	$6,543.25
1 Year	$6,543.25	$104.17	$6,647.42
2 Year	$6,543.25	$145.84	$6,689.09
3 Year	$6,543.25	$208.34	$6,751.59
LIEUTENANT			
Entry	$7,063.21	N/A	$7,063.21
1 Year	$7,063.21	$83.34	$7,146.55
2 Year	$7,063.21	$166.67	$7,229.88
3 Year	$7,063.21	$250.00	$7,313.21
ASSISTANT CHIEF			
Entry	$8,315.50	N/A	$8,315.50
1 Year	$8,315.50	$145.84	$8,461.34
2 Year	$8,315.50	$291.67	$8,607.17
3 Year	$8,315.50	$416.67	$8,732.17

SECTION 3. That, from and after the effective date of the 1st day of October, 2020, the following incentive/certification pay schedules shall be adopted for the Sherman Fire Department:

(a) Each employee certified by the Texas Department of State Health Services as a Paramedic and who meets the Sherman Medical Director's prescribed Medical Standards for Medical Authorization shall receive $125.00 per month Incentive/Certification Pay.

(b) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as an Intermediate Firefighter shall receive $104.00 per month Incentive/Certification Pay.

(c) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as an Advanced Firefighter shall receive $218.40 per month Incentive/Certification Pay.

(d) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as a Master Firefighter shall receive $318.40 per month Incentive/Certification Pay.

(e) Incentive/Certification Pay shall only be paid for the highest Texas Commission on Fire Protection Personnel Standards and Education Certification achieved.

(f) All Certifications shall be kept current to receive Incentive/Certification Pay.

(g) Each employee who holds an Associates Degree from an accredited college or university shall receive $75.00 per month Education Incentive Pay.

(h) Each employee who holds a Bachelors Degree from an accredited college or university shall receive $175.00 per month Education Incentive Pay.

(i) Each employee who holds a Masters Degree from an accredited college or university shall receive $250.00 per month Education Incentive Pay.

(j) Education Incentive Pay shall only be paid for the highest degree received.

SECTION 4. That, from and after the effective date of the 1st day of October, 2020, the following incentive/certification pay schedules shall be adopted for the Sherman Police Department:

(a) Employees hired prior to October 1, 2020 shall adopt the following incentive/certification pay schedule:

1. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Intermediate Peace Officer shall receive $75.00 per month Incentive/Certification Pay.

2. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Advanced Peace Officer shall receive $175.00 per month Incentive/Certification Pay.

3. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as a Master Peace Officer shall receive $275.00 per month Incentive/Certification Pay.

4. Incentive/Certification Pay shall only be paid for the highest Texas Commission on Law Enforcement Officer Standards and Education Certification achieved.

5. Each employee who speaks Spanish as a second language, as certified and designated by the Police Chief, shall receive $100.00 per month Incentive/Certification Pay.

6. All Certifications shall be kept current to receive Incentive/Certification Pay.

7. Each employee who holds an Associates Degree from an accredited college or university shall receive $100.00 per month Education Incentive Pay.

8. Each employee who holds a Bachelors Degree from an accredited college or university shall receive $250.00 per month Education Incentive Pay.

9. Each employee who holds a Masters Degree from an accredited college or university shall receive $500.00 per month Education Incentive Pay.

10. Education Incentive Pay shall only be paid for the highest degree received.

(b) Employees hired after October 1, 2020 shall adopt the following incentive/certification pay schedule:

1. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Intermediate Peace Officer shall receive $50.00 per month Incentive/Certification Pay.

2. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Advanced Peace Officer shall receive $100.00 per month Incentive/Certification Pay.

3. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as a Master Peace Officer shall receive $150.00 per month Incentive/Certification Pay.

4. Incentive/Certification Pay shall only be paid for the highest Texas Commission on Law Enforcement Officer Standards and Education Certification achieved.

5. Each employee who speaks Spanish as a second language, as certified and designated by the Police Chief, shall receive $100.00 per month Incentive/Certification Pay.

6. All Certifications shall be kept current to receive Incentive/Certification Pay.

7. Each employee who holds an Associates Degree from an accredited college or university shall receive $50.00 per month Education Incentive Pay.

8. Each employee who holds a Bachelors Degree from an accredited college or university shall receive $100.00 per month Education Incentive Pay.

9. Each employee who holds a Masters Degree from an accredited college or university shall receive $200.00 per month Education Incentive Pay.

10. Education Incentive Pay shall only be paid for the highest degree received.

SECTION 5. That eligible pay types are authorized by the City Council below for patrolmen and firefighters.

(a) Seniority Pay – Lateral Entry (prior Police Experience):

1. Seniority Pay is authorized by Chapter 143.041 (c)(1) of the Texas Local Government Code.

2. Applicants for patrolmen positions who are hired after July 31, 2018 shall be eligible for Special Seniority Pay for lateral entry if they have at least two (2) years' continuous service as a paid, full-time certified peace officer, or comparable Military Police experience as approved by the Chief of Police, with the authority to enforce laws, investigate crimes, make arrests, respond to calls for service, carry a firearm, and use discretion as part of their assigned duties. A lateral entry applicant shall not have more than a one-year break in service from the time the applicant left employment as a certified peace officer, or Military Police service and, as of the last date, applications are accepted.

3. Starting Pay: The starting pay for lateral entry patrolmen with prior qualifying law enforcement experience will be determined based on the commensurate number of years of prior qualified service at their previous agency or agencies as of the last date applications are accepted.

   i. Lateral entry patrolmen who have at least two (2) years of prior qualified service will start at two (2) years of service according to the Sherman Police Department pay schedule.

4. Departmental Seniority Impact: The Lateral Entry Program described in this Sub-section is for seniority pay purposes only to determine placement into the existing pay schedule. Prior law enforcement work experience will not be considered for promotional eligibility requirements, departmental

seniority or transfers. Department seniority for lateral patrolmen will begin on their most recent Civil Service hire date with the Sherman Police Department. Exception will be made for reappointed patrolmen in which seniority will include all time served as a paid Sherman Police Officer.

5. Requirements: Guidelines and administration for eligibility for lateral entry shall be governed by police policies and Local Civil Service Commission Rules and Regulations. The Chief of Police shall make the final determination as to whether an applicant meets the criteria for the Police Lateral Entry Program; and the Chief's decision shall be final and non-appealable to the Civil Service Commission or to any court.

6. Longevity Pay: Sworn police employees shall be paid Longevity Pay in accordance with City policy, Chapter 142 of the Texas Local Government Code, and as permitted under Chapter 143.041(c)(1) of the Texas Local Government Code. City policy provides specifics on administration and application.

(b) Seniority Pay – Lateral Entry (prior Fire Experience):

1. Seniority Pay is authorized by Chapter 143.041(c)(1) of the Texas Local Government Code.

2. Applicants for firefighter positions who are hired after December 16, 2018 shall be eligible for Special Longevity pay for lateral entry if they have at least one (1) year of continuous service as a paid, full time certified firefighter as approved by the Fire Chief. A lateral entry applicant shall not have more than a one (1) year break in service from the time the applicant left employment as a certified firefighter as of the date of hire.

3. Starting Pay: The starting pay for lateral firefighters will be determined based on the number of years of prior qualified service as of the date of hire.

   i. Lateral entry firefighter's starting pay will be determined based on the commensurate number of years of qualified service at their previous agency or agencies as of the date of hire.

4. Departmental Seniority Impact: The Lateral Entry Program described in this Sub-Section is for seniority pay purposes only to determine placement into the existing pay schedule. Prior fire work experience will not be considered for promotional eligibility requirements, departmental seniority or transfers. Departmental seniority for lateral entry firefighters will begin on their most recent Civil Service hire date with the Sherman Fire Department.

5. Requirements: Guidelines and administration for eligibility for lateral entry shall be governed by fire department policies and Local Civil Service

Commission Rules and Regulations. The Fire Chief shall make the final determination as to whether an applicant meets the criteria for the Fire Lateral Entry Program; and the Chief's decision shall be final and non-appealable to the Civil Service Commission or to any court.

6. Longevity Pay: Fire department employees shall be paid Longevity Pay in accordance with City Policy, Chapter 142 of the Texas Local Government Code, and as permitted under Chapter 143.041(c)(1) of the Texas Local Government Code. City policy provides specifics on administration and application.

7. Base pay for incumbent firefighters, hired prior to the adoption date of this Resolution who have at least one (1) year of prior qualified service will be increased to the commensurate number of years of service according to the Sherman Fire Department pay schedule.

SECTION 6. That detailed rules and regulations for qualifying standards, eligibility and administration of such pay types may be stated within the City and/or Police Department policies and/or Fire Department policies, and/or Local Civil Service Commission Rules and Regulations. Such policies are subject to change as needed and approved by the City Manager for purposes of City policies or by the Chief of Police for purposes for Police Department polices, by the Fire Chief for purposes of Fire Department policies, or by the Local Civil Service Commission for the purposes of Local Civil Service Commission Rules and Regulations.

SECTION 7. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of _____, 2020.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY, CITY ATTORNEY

RESOLUTION NO. ~~6536~~

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REVOKING AND REPLACING RESOLUTION NO. ~~6448~~ *6536*; ESTABLISHING SALARY STRUCTURES AND INCENTIVE/ CERTIFICATION PAY SCHEDULES FOR FIREFIGHTERS AND POLICE OFFICERS; ESTABLISHING SPECIAL LONGEVITY PAY SCHEDULES FOR NEWLY HIRED FIREFIGHTERS AND POLICE OFFICERS; PROVIDING FOR AN EFFECTIVE DATE; 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 Resolution No. ~~6448~~ *6536*, passed and approved on the ~~17th day of December, 2018~~ *16th day of September, 2019*, is hereby revoked.

SECTION 2. That, from and after the effective date of the 1st day of October, ~~2019~~ *2020*, the following salary structures and incentive/certification pay schedules will be adopted for the Sherman Fire Department and the Sherman Police Department:

FIRE DEPARTMENT CLASSIFICATION	MONTHLY BASE SALARY	MONTHLY STEP PAY	TOTAL
FIREFIGHTER			
Entry	$4,288.26	N/A	$4,288.26
1 Year	$4,288.26	$441.84	$4,730.11
2 Year	$4,288.26	$507.24	$4,795.50
3 Year	$4,288.26	$572.62	$4,860.89
4 Year	$4,288.26	$632.73	$4,920.99
5 Year	$4,288.26	$775.19	$5,063.45
ENGINEER			
Entry	$5,458.82	N/A	$5,458.82
1 Year	$5,458.82	$68.73	$5,527.55
2 Year	$5,458.82	$138.01	$5,596.83
CAPTAIN			
Entry	$6,114.36	N/A	$6,114.36
1 Year	$6,114.36	$75.68	$6,190.04
BATTALION CHIEF			
Entry	$6,741.24	N/A	$6,741.24
1 Year	$6,741.24	$108.51	$6,849.75

DIVISION CHIEF	$7,628.59	N/A	$7,628.59
ASSISTANT CHIEF	$8,451.94	N/A	$8,451.94
POLICE DEPARTMENT CLASSIFICATION	**MONTHLY BASE SALARY**	**MONTHLY STEP PAY**	**TOTAL**
PATROLMAN			
Entry – Non-Certified	~~$4,129.48~~ *$4,455.54*	N/A	$4,129.48 *$4,455.54*
~~Entry – Certified~~	~~$4,452.73~~	~~N/A~~	~~$4,452.73~~
1 Year	~~$4,452.73~~ *$4,455.54*	~~$55.81~~ *$132.17*	~~$4,508.54~~ *$4,587.71*
2 Year	~~$4,452.73~~ *$4,455.54*	~~$233.27~~ *$328.76*	~~$4,686.00~~ *$4,784.30*
3 Year	~~$4,452.73~~ *$4,455.54*	~~$705.59~~ *$748.63*	~~$5,158.32~~ *$5,204.17*
4 Year	~~$4,452.73~~ *$4,455.54*	~~$834.97~~ *$917.46*	~~$5,287.70~~ *$5,373.00*
5 Year	~~$4,452.73~~ *$4,455.54*	~~$980.95~~ *$1,094.63*	~~$5,433.68~~ *$5,550.17*
6 Year	*$4,455.54*	*$1,279.13*	*$5,734.67*
7 Year	*$4,455.54*	*$1,279.13*	*$5,898.30*
~~10 Year~~	~~$4,452.73~~	~~$1,099.91~~	~~$5,552.64~~
~~20 Year~~	~~$4,452.73~~	~~$1,218.86~~	~~$5,671.59~~
CORPORAL			
Entry	~~$5,919.16~~ *$6,084.58*	N/A	~~$5,919.16~~ *$6,084.58*
1 Year	*$6,084.58*	*$41.67*	*$6,126.25*
2 Year	*$6,084.58*	*$83.34*	*$6,167.92*
3 Year	*$6,084.58*	*$125.00*	*$6,209.58*
SERGEANT			
Entry	~~$6,419.87~~ *$6,543.25*	N/A	~~$6,419.87~~ *$6,543.25*
1 Year	*$6,543.25*	*$104.17*	*$6,647.42*
2 Year	*$6,543.25*	*$145.84*	*$6,689.09*
3 Year	*$6,543.25*	*$208.34*	*$6,751.59*
LIEUTENANT			
Entry	~~$6,959.77~~ *$7,063.21*	N/A	~~$6,959.77~~ *$7,063.21*
1 Year	*$7,063.21*	*$83.34*	*$7,146.55*
2 Year	*$7,063.21*	*$166.67*	*$7,229.88*
3 Year	*$7,063.21*	*$250.00*	*$7,313.21*
ASSISTANT CHIEF			
Entry	~~$8,297.68~~ *$8,315.50*	N/A	~~$8,297.68~~ *$8,315.50*
1 Year	*$8,315.50*	*$145.84*	*$8,461.34*
2 Year	*$8,315.50*	*$291.67*	*$8,607.17*
3 Year	*$8,315.50*	*$416.67*	*$8,732.17*

SECTION 3. That, from and after the effective date of the 1st day of October, ~~2019~~ *2020*, the following incentive/certification pay schedules shall be adopted for the Sherman Fire Department:

(a) Each employee certified by the Texas Department of State Health Services as a Paramedic and who meets the Sherman Medical Director's prescribed Medical

Standards for Medical Authorization shall receive $125.00 per month Incentive/Certification Pay.

(b) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as an Intermediate Firefighter shall receive $104.00 per month Incentive/Certification Pay.

(c) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as an Advanced Firefighter shall receive $218.40 per month Incentive/Certification Pay.

(d) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as a Master Firefighter shall receive $318.40 per month Incentive/Certification Pay.

(e) Incentive/Certification Pay shall only be paid for the highest Texas Commission on Fire Protection Personnel Standards and Education Certification achieved.

(f) All Certifications shall be kept current to receive Incentive/Certification Pay.

(g) Each employee who holds an Associates Degree from an accredited college or university shall receive $75.00 per month Education Incentive Pay.

(h) Each employee who holds a Bachelors Degree from an accredited college or university shall receive $175.00 per month Education Incentive Pay.

(i) Each employee who holds a Masters Degree from an accredited college or university shall receive $250.00 per month Education Incentive Pay.

(j) Education Incentive Pay shall only be paid for the highest degree received.

SECTION 4. That, from and after the effective date of the 1st day of October, ~~2019~~ *2020*, the following incentive/certification pay schedules shall be adopted for the Sherman Police Department:

(a) *Employees hired prior to October 1, 2020 shall adopt the following incentive/certification pay schedule:*

~~(a)~~ *1.* Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Intermediate Peace Officer shall receive $75.00 per month Incentive/Certification Pay.

~~(b)~~ *2.* Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Advanced Peace Officer shall receive $175.00 per month Incentive/Certification Pay.

~~(c)~~ *3.* Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as a Master Peace Officer shall receive $275.00 per month Incentive/Certification Pay.

~~(d)~~ *4.* Incentive/Certification Pay shall only be paid for the highest Texas Commission on Law Enforcement Officer Standards and Education Certification achieved.

~~(e)~~ *5.* Each employee who speaks Spanish as a second language, as certified and designated by the Police Chief, shall receive $100.00 per month Incentive/Certification Pay.

~~(f)~~ *6.* All Certifications shall be kept current to receive Incentive/Certification Pay.

~~(g)~~ *7.* Each employee who holds an Associates Degree from an accredited college or university shall receive $100.00 per month Education Incentive Pay.

~~(h)~~ *8.* Each employee who holds a Bachelors Degree from an accredited college or university shall receive $250.00 per month Education Incentive Pay.

~~(i)~~ *9.* Each employee who holds a Masters Degree from an accredited college or university shall receive $500.00 per month Education Incentive Pay.

~~(j)~~ *10.* Education Incentive Pay shall only be paid for the highest degree received.

(b) Employees hired after October 1, 2020 shall adopt the following incentive/certification pay schedule:

1. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Intermediate Peace Officer shall receive $50.00 per month Incentive/Certification Pay.

2. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Advanced Peace Officer shall receive $100.00 per month Incentive/Certification Pay.

3. Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as a Master Peace Officer shall receive $150.00 per month Incentive/Certification Pay.

4. Incentive/Certification Pay shall only be paid for the highest Texas Commission on Law Enforcement Officer Standards and Education Certification achieved.

5. *Each employee who speaks Spanish as a second language, as certified and designated by the Police Chief, shall receive $100.00 per month Incentive/Certification Pay.*

6. *All Certifications shall be kept current to receive Incentive/Certification Pay.*

7. *Each employee who holds an Associates Degree from an accredited college or university shall receive $50.00 per month Education Incentive Pay.*

8. *Each employee who holds a Bachelors Degree from an accredited college or university shall receive $100.00 per month Education Incentive Pay.*

9. *Each employee who holds a Masters Degree from an accredited college or university shall receive $200.00 per month Education Incentive Pay.*

10. *Education Incentive Pay shall only be paid for the highest degree received.*

SECTION 5. That eligible pay types are authorized by the City Council below for patrolmen and firefighters.

(a) Seniority Pay – Lateral Entry (prior Police Experience):

1. Seniority Pay is authorized by Chapter 143.041 (c)(1) of the Texas Local Government Code.

2. Applicants for patrolmen positions who are hired after July 31, 2018 shall be eligible for Special Seniority Pay for lateral entry if they have at least two (2) years' continuous service as a paid, full-time certified peace officer, or comparable Military Police experience as approved by the Chief of Police, with the authority to enforce laws, investigate crimes, make arrests, respond to calls for service, carry a firearm, and use discretion as part of their assigned duties. A lateral entry applicant shall not have more than a one-year break in service from the time the applicant left employment as a certified peace officer, or Military Police service and, as of the last date, applications are accepted.

3. Starting Pay: The starting pay for lateral entry patrolmen with prior qualifying law enforcement experience will be determined based on the commensurate number of years of prior qualified service at their previous agency or agencies as of the last date applications are accepted.

   i. Lateral entry patrolmen who have at least two (2) years of prior qualified service will start at two (2) years of service according to the Sherman Police Department pay schedule.

4. Departmental Seniority Impact: The Lateral Entry Program described in this Sub-section is for seniority pay purposes only to determine placement into the existing pay schedule. Prior law enforcement work experience will not be considered for promotional eligibility requirements, departmental seniority or transfers. Department seniority for lateral patrolmen will begin on their most recent Civil Service hire date with the Sherman Police Department. Exception will be made for reappointed patrolmen in which seniority will include all time served as a paid Sherman Police Officer.

5. Requirements: Guidelines and administration for eligibility for lateral entry shall be governed by police policies and Local Civil Service Commission Rules and Regulations. The Chief of Police shall make the final determination as to whether an applicant meets the criteria for the Police Lateral Entry Program; and the Chief's decision shall be final and non-appealable to the Civil Service Commission or to any court.

6. Longevity Pay: Sworn police employees shall be paid Longevity Pay in accordance with City policy, Chapter 142 of the Texas Local Government Code, and as permitted under Chapter 143.041(c)(1) of the Texas Local Government Code. City policy provides specifics on administration and application.

(b) Seniority Pay – Lateral Entry (prior Fire Experience):

1. Seniority Pay is authorized by Chapter 143.041(c)(1) of the Texas Local Government Code.

2. Applicants for firefighter positions who are hired after December 16, 2018 shall be eligible for Special Longevity pay for lateral entry if they have at least one (1) year of continuous service as a paid, full time certified firefighter as approved by the Fire Chief. A lateral entry applicant shall not have more than a one (1) year break in service from the time the applicant left employment as a certified firefighter as of the date of hire.

3. Starting Pay: The starting pay for lateral firefighters will be determined based on the number of years of prior qualified service as of the date of hire.

   i. Lateral entry firefighter's starting pay will be determined based on the commensurate number of years of qualified service at their previous agency or agencies as of the date of hire.

4. Departmental Seniority Impact: The Lateral Entry Program described in this Sub-Section is for seniority pay purposes only to determine placement into the existing pay schedule. Prior fire work experience will not be considered for promotional eligibility requirements, departmental seniority or transfers.

Departmental seniority for lateral entry firefighters will begin on their most recent Civil Service hire date with the Sherman Fire Department.

5. Requirements: Guidelines and administration for eligibility for lateral entry shall be governed by fire department policies and Local Civil Service Commission Rules and Regulations. The Fire Chief shall make the final determination as to whether an applicant meets the criteria for the Fire Lateral Entry Program; and the Chief's decision shall be final and non-appealable to the Civil Service Commission or to any court.

6. Longevity Pay: Fire department employees shall be paid Longevity Pay in accordance with City Policy, Chapter 142 of the Texas Local Government Code, and as permitted under Chapter 143.041(c)(1) of the Texas Local Government Code. City policy provides specifics on administration and application.

7. Base pay for incumbent firefighters, hired prior to the adoption date of this Resolution who have at least one (1) year of prior qualified service will be increased to the commensurate number of years of service according to the Sherman Fire Department pay schedule.

SECTION 6. That detailed rules and regulations for qualifying standards, eligibility and administration of such pay types may be stated within the City and/or Police Department policies and/or Fire Department policies, and/or Local Civil Service Commission Rules and Regulations. Such policies are subject to change as needed and approved by the City Manager for purposes of City policies or by the Chief of Police for purposes for Police Department polices, by the Fire Chief for purposes of Fire Department policies, or by the Local Civil Service Commission for the purposes of Local Civil Service Commission Rules and Regulations.

SECTION 7. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of _____, ~~2019~~ *2020*.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: _____
BRANDON S. SHELBY,
CITY ATTORNEY

RESOLUTION NO. 6536

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, REVOKING AND REPLACING RESOLUTION NO. 6448; ESTABLISHING SALARY STRUCTURES AND INCENTIVE/ CERTIFICATION PAY SCHEDULES FOR FIREFIGHTERS AND POLICE OFFICERS; ESTABLISHING SPECIAL LONGEVITY PAY SCHEDULES FOR NEWLY HIRED FIREFIGHTERS AND POLICE OFFICERS; PROVIDING FOR AN EFFECTIVE DATE; 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 Resolution No. 6448, passed and approved on the 17th day of December, 2018, is hereby revoked.

SECTION 2. That, from and after the effective date of the 1st day of October, 2019, the following salary structures and incentive/certification pay schedules will be adopted for the Sherman Fire Department and the Sherman Police Department:

FIRE DEPARTMENT CLASSIFICATION	MONTHLY BASE SALARY	MONTHLY STEP PAY	TOTAL
FIREFIGHTER			
Entry	$4,288.26	N/A	$4,288.26
1 Year	$4,288.26	$441.84	$4,730.11
2 Year	$4,288.26	$507.24	$4,795.50
3 Year	$4,288.26	$572.62	$4,860.89
4 Year	$4,288.26	$632.73	$4,920.99
5 Year	$4,288.26	$775.19	$5,063.45
ENGINEER			
Entry	$5,458.82	N/A	$5,458.82
1 Year	$5,458.82	$68.73	$5,527.55
2 Year	$5,458.82	$138.01	$5,596.83
CAPTAIN			
Entry	$6,114.36	N/A	$6,114.36
1 Year	$6,114.36	$75.68	$6,190.04
BATTALION CHIEF			
Entry	$6,741.24	N/A	$6,741.24
1 Year	$6,741.24	$108.51	$6,849.75

DIVISION CHIEF	$7,628.59	N/A	$7,628.59
ASSISTANT CHIEF	$8,451.94	N/A	$8,451.94
POLICE DEPARTMENT CLASSIFICATION	**MONTHLY BASE SALARY**	**MONTHLY STEP PAY**	**TOTAL**
PATROLMAN			
Entry – Non-Certified	$4,129.48	N/A	$4,129.48
Entry – Certified	$4,452.73	N/A	$4,452.73
1 Year	$4,452.73	$55.81	$4,508.54
2 Year	$4,452.73	$233.27	$4,686.00
3 Year	$4,452.73	$705.59	$5,158.32
4 Year	$4,452.73	$834.97	$5,287.70
5 Year	$4,452.73	$980.95	$5,433.68
10 Year	$4,452.73	$1,099.91	$5,552.64
20 Year	$4,452.73	$1,218.86	$5,671.59
CORPORAL	$5,919.16	N/A	$5,919.16
SERGEANT	$6,419.87	N/A	$6,419.87
LIEUTENANT	$6,959.77	N/A	$6,959.77
ASSISTANT CHIEF	$8,297.68	N/A	$8,297.68

SECTION 3. That, from and after the effective date of the 1st day of October, 2019, the following incentive/certification pay schedules shall be adopted for the Sherman Fire Department:

(a) Each employee certified by the Texas Department of State Health Services as a Paramedic and who meets the Sherman Medical Director's prescribed Medical Standards for Medical Authorization shall receive $125.00 per month Incentive/Certification Pay.

(b) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as an Intermediate Firefighter shall receive $104.00 per month Incentive/Certification Pay.

(c) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as an Advanced Firefighter shall receive $218.40 per month Incentive/Certification Pay.

(d) Each employee who is certified by the Texas Commission on Fire Protection Personnel Standards and Education as a Master Firefighter shall receive $318.40 per month Incentive/Certification Pay.

(e) Incentive/Certification Pay shall only be paid for the highest Texas Commission on Fire Protection Personnel Standards and Education Certification achieved.

(f) All Certifications shall be kept current to receive Incentive/Certification Pay.

(g) Each employee who holds an Associates Degree from an accredited college or university shall receive $75.00 per month Education Incentive Pay.

(h) Each employee who holds a Bachelors Degree from an accredited college or university shall receive $175.00 per month Education Incentive Pay.

(i) Each employee who holds a Masters Degree from an accredited college or university shall receive $250.00 per month Education Incentive Pay.

(j) Education Incentive Pay shall only be paid for the highest degree received.

SECTION 4. That, from and after the effective date of the 1st day of October, 2019, the following incentive/certification pay schedules shall be adopted for the Sherman Police Department:

(a) Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Intermediate Peace Officer shall receive $75.00 per month Incentive/Certification Pay.

(b) Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as an Advanced Peace Officer shall receive $175.00 per month Incentive/Certification Pay.

(c) Each employee certified by the Texas Commission on Law Enforcement Officer Standards and Education as a Master Peace Officer shall receive $275.00 per month Incentive/Certification Pay.

(d) Incentive/Certification Pay shall only be paid for the highest Texas Commission on Law Enforcement Officer Standards and Education Certification achieved.

(e) Each employee who speaks Spanish as a second language, as certified and designated by the Police Chief, shall receive $100.00 per month Incentive/Certification Pay.

(f) All Certifications shall be kept current to receive Incentive/Certification Pay.

(g) Each employee who holds an Associates Degree from an accredited college or university shall receive $100.00 per month Education Incentive Pay.

(h) Each employee who holds a Bachelors Degree from an accredited college or university shall receive $250.00 per month Education Incentive Pay.

(i) Each employee who holds a Masters Degree from an accredited college or university shall receive $500.00 per month Education Incentive Pay.

(j) Education Incentive Pay shall only be paid for the highest degree received.

SECTION 5. That eligible pay types are authorized by the City Council below for patrolmen and firefighters.

(a) Seniority Pay – Lateral Entry (prior Police Experience):

1. Seniority Pay is authorized by Chapter 143.041 (c)(1) of the Texas Local Government Code.

2. Applicants for patrolmen positions who are hired after July 31, 2018 shall be eligible for Special Seniority Pay for lateral entry if they have at least two (2) years' continuous service as a paid, full-time certified peace officer, or comparable Military Police experience as approved by the Chief of Police, with the authority to enforce laws, investigate crimes, make arrests, respond to calls for service, carry a firearm, and use discretion as part of their assigned duties. A lateral entry applicant shall not have more than a one-year break in service from the time the applicant left employment as a certified peace officer, or Military Police service and, as of the last date, applications are accepted.

3. Starting Pay: The starting pay for lateral entry patrolmen with prior qualifying law enforcement experience will be determined based on the commensurate number of years of prior qualified service at their previous agency or agencies as of the last date applications are accepted.

   i. Lateral entry patrolmen who have at least two (2) years of prior qualified service will start at two (2) years of service according to the Sherman Police Department pay schedule.

4. Departmental Seniority Impact: The Lateral Entry Program described in this Sub-section is for seniority pay purposes only to determine placement into the existing pay schedule. Prior law enforcement work experience will not be considered for promotional eligibility requirements, departmental seniority or transfers. Department seniority for lateral patrolmen will begin on their most recent Civil Service hire date with the Sherman Police

Department. Exception will be made for reappointed patrolmen in which seniority will include all time served as a paid Sherman Police Officer.

5. Requirements: Guidelines and administration for eligibility for lateral entry shall be governed by police policies and Local Civil Service Commission Rules and Regulations. The Chief of Police shall make the final determination as to whether an applicant meets the criteria for the Police Lateral Entry Program; and the Chief's decision shall be final and non-appealable to the Civil Service Commission or to any court.

6. Longevity Pay: Sworn police employees shall be paid Longevity Pay in accordance with City policy, Chapter 142 of the Texas Local Government Code, and as permitted under Chapter 143.041(c)(1) of the Texas Local Government Code. City policy provides specifics on administration and application.

(b) Seniority Pay – Lateral Entry (prior Fire Experience):

1. Seniority Pay is authorized by Chapter 143.041(c)(1) of the Texas Local Government Code.

2. Applicants for firefighter positions who are hired after December 16, 2018 shall be eligible for Special Longevity pay for lateral entry if they have at least one (1) year of continuous service as a paid, full time certified firefighter as approved by the Fire Chief. A lateral entry applicant shall not have more than a one (1) year break in service from the time the applicant left employment as a certified firefighter as of the date of hire.

3. Starting Pay: The starting pay for lateral firefighters will be determined based on the number of years of prior qualified service as of the date of hire.

   i. Lateral entry firefighter's starting pay will be determined based on the commensurate number of years of qualified service at their previous agency or agencies as of the date of hire.

4. Departmental Seniority Impact: The Lateral Entry Program described in this Sub-Section is for seniority pay purposes only to determine placement into the existing pay schedule. Prior fire work experience will not be considered for promotional eligibility requirements, departmental seniority or transfers. Departmental seniority for lateral entry firefighters will begin on their most recent Civil Service hire date with the Sherman Fire Department.

5. Requirements: Guidelines and administration for eligibility for lateral entry shall be governed by fire department policies and Local Civil Service Commission Rules and Regulations. The Fire Chief shall make the final determination as to whether an applicant meets the criteria for the Fire

Lateral Entry Program; and the Chief's decision shall be final and non-appealable to the Civil Service Commission or to any court.

6. Longevity Pay: Fire department employees shall be paid Longevity Pay in accordance with City Policy, Chapter 142 of the Texas Local Government Code, and as permitted under Chapter 143.041(c)(1) of the Texas Local Government Code. City policy provides specifics on administration and application.

7. Base pay for incumbent firefighters, hired prior to the adoption date of this Resolution who have at least one (1) year of prior qualified service will be increased to the commensurate number of years of service according to the Sherman Fire Department pay schedule.

SECTION 6. That detailed rules and regulations for qualifying standards, eligibility and administration of such pay types may be stated within the City and/or Police Department policies and/or Fire Department policies, and/or Local Civil Service Commission Rules and Regulations. Such policies are subject to change as needed and approved by the City Manager for purposes of City policies or by the Chief of Police for purposes for Police Department polices, by the Fire Chief for purposes of Fire Department policies, or by the Local Civil Service Commission for the purposes of Local Civil Service Commission Rules and Regulations.

SECTION 7. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the 16th day of September, 2019.

CITY OF SHERMAN, TEXAS

BY: _____
DAVID PLYLER, MAYOR

ATTEST:

BY: Linda Ashby
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY, CITY ATTORNEY

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **D. 7.**

Meeting Date: 09/21/2020

Prepared By: Mary Lawrence, Director of Finance

Approved By: Robby Hefton, City Manager

Caption:

**** RESOLUTION NO. 6656***

Adopting an Investment Policy for the City of Sherman

Issue:

Obtaining Council approval for revisions to the City of Sherman's 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. This year, the changes consist of adding Texas TERM as an approved Local Government Investment Pool and broker/dealer name changes. A copy of the proposed Policy was provided to the Investment Committee prior to this meeting.

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

Resolution No. 6656

Investment Committee Memo with Investment Policy FY 2020-2021

RESOLUTION NO. 6656

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.

PASSED AND APPROVED on this the _____ day of _____, 2020.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: _____
LINDA ASHBY, CITY CLERK

BY: _____
DAVID PLYLER, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: _____
BRANDON S. SHELBY, CITY ATTORNEY

Sherman
CLASSIC TOWN. BROAD HORIZON.

memorandum

DATE: September 9, 2020

TO: The City of Sherman Investment Committee
Councilwoman Sandra Melton
Councilwoman Pam Howeth
Robby Hefton, City Manager

FROM: Mary Lawrence, Director of Finance ml

SUBJECT: Investment Policy Revisions

Attached is a copy of the City's Investment Policy. The City is required by law to review its Investment Policy annually to ensure that the policy meets the City's needs with respect to managing its investment activity.

The Investment Officers recommend updating the approved list of broker/dealers and financial institutions for name changes and adding TexasTERM as an approved Local Government Investment Pool.

Approval of this policy is scheduled for the September 21st City Council meeting. Please contact me prior to that meeting if you have any questions regarding the policy or proposed update.

Attachment (as stated above)

CITY OF SHERMAN
INVESTMENT POLICY
September 21, 2020

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 Comprehensive Annual 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 persons' 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, Finance Director 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 Accounting Assistant, Accountant and 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 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~~5~~ 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~~7~~ 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 Finance Director 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

investment policy to the City.

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 ~~Money market~~ 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: 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 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 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 Finance Director 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 Finance Director 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 Finance Director 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 Finance Director 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.

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 return 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

TexStar
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

~~First Public, LLC~~
~~Austin, TX~~

Investors Brokerage of Texas
Waco, TX

SAMCO Capital Markets, Inc.
Dallas, TX

Stifel Investment Services
Hauppauge, NY

Vining Sparks, IBG, LP
Frisco, TX

~~FTN Financial Capital Markets, Inc.~~
~~Houston, TX~~

~~Stifel Nicolaus & Company~~
~~Hauppauge, NY~~

~~Landmark Bank~~
~~Sherman,~~

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting **E. 1.**

Meeting Date: 09/21/2020

Prepared By: Kevin Winkler, Public Works Manager

Approved By: Robby Hefton, City Manager

Caption:

**** REQUEST TO ADVERTISE***

Annual Two-Way Radio and Early Warning Siren Maintenance

Issue:

Approving advertising for bids that will provide the City with parts replacement, repairs, and maintenance related to in-vehicle two-way radios and the early warning siren system

Background:

The City annually contracts services for the maintenance of two-way radios installed in Police, Fire, and Public Works vehicles, as well as maintenance on the early warning siren system for Emergency Management.

Origination:

Equipment Maintenance Services

Financial Consideration:

Purchases are made with annually budgeted funds. The cost of advertising for this contract is expected to be approximately $200.00.

Staff Recommendation:

City staff recommends that the City Council authorize staff to advertise for public bids.

Alternatives:

As may be recommended by the City Council

SHERMAN CITY COUNCIL
Agenda Communication Form

City Council Regular Meeting
Meeting Date: 09/21/2020
Prepared By: Pamela Cloer, Assistant to the City Manager
Approved By: Robby Hefton, City Manager

Caption:
COUNCIL CALENDAR

Attachments

2020 Council Calendar

2020

JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
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26	27	28	29	30	31	

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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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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27	28	29	30	31		

1/20/2020	Martin Luther King, Jr. Day/Called City Council Meeting on 1/21/2020
2/12/2020	Called Council Meeting - Training Session for Council Members
3/30/2020	Called Council Meeting - Intro and PH of Ordinance No. 6288, Extending Declaration of Public Health Disaster Indefinitely and Other Matters related to COVID-19
4/6/2020	City Council Meeting - Cancelled
6/25/2020	Called Budget Workshop in the Municipal Ballroom - Rescheduled
6/26/2020	Called Budget Workshop in the Municipal Ballroom - Rescheduled
9/7/2020	Labor Day/Called City Council Meeting on 9/8/2020

9/11/2020	Called Joint Meeting of City Council and SEDCO Board in the Sherman Municipal Ballroom